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## Leading U.S. Index Declines, Suggesting Economy May Slow

By Jane Seaberry  
Washington Post Service

WASHINGTON — The U.S. government's main index of future economic activity declined 0.2 percent in December, the Department of Commerce reported Thursday, and its earlier figures for the months of October and November were revised downward.

However, other economic signals released Thursday were mixed: Factory orders declined, while sales of new homes ended 1984 at the highest level in five years.

The decline in the index of Leading Economic Indicators suggested that the economic rebound may not be as strong as had been expected, economists said. The index estimates economic activity six to nine months in the future.

The new figures indicated to some economists that the hoped-for pickup in economic activity that began in the fourth quarter would be moderate during the first half of this year.

The leading indicators increased 0.6 percent in November following a 0.6-percent decline in October, the Commerce Department said. It had originally estimated a 1.3-percent increase in November and a 0.5-percent decline in October.

Economists interpreted this leap

in activity as a sign that growth would pick up sharply during the first half of this year.

However, after Thursday's report of the indicators, some economists said growth would not be so robust and that much of the improvement in GNP had been in foreign trade, which is not expected to recur this quarter.

In other reports Thursday, the Commerce Department said new orders for manufactured goods in December dropped 0.7 percent. A 2.9-percent decline in durable goods orders more than offset a 1.9-percent increase in nondurable goods, the department said.

However, it also said that sales of new single-family homes rose 3.1 percent in December, following a 9.8-percent decline in November. During 1984, new home sales increased 2.6 percent over 1983.

The average price of a new house slipped back by \$800 to \$99,000 in December and was \$97,600 for all of last year, 8.7 percent above 1983.

Meanwhile, most of the nation's

major retailers Thursday reported good sales gains for January over a year earlier. (Story, Page 13.)

The White House Thursday dismissed the December drop in the index of leading indicators.

"This does not cause us any concern at all," said the White House spokesman, Larry Speakes, "because we know the economy remains exceptionally strong. The growth is there and will continue."

A Commerce Department undersecretary, Sidney L. Jones, said that although the index had been erratic in the past few months, "the year ended with renewed upward momentum in economic activity."

Several key economic indicators rose in December, he said, "thus, the economy entered the new year already above the fourth quarter average level."

One of the 11 indicators available for December which rose was manufacturers' new orders for consumer goods and materials, which has shown upward momentum in the last few months.



A Finnish official with part of the Soviet target missile on the frozen surface of Lake Inari.

## Russia Downed Its Own Missile Over Lapland, Weinberger Says

The Associated Press

WASHINGTON — A Soviet missile that crashed in Finland after flying over northern Norway in December was shot down by the Russians, Defense Secretary Caspar W. Weinberger said Thursday.

Mr. Weinberger, testifying before the Senate Foreign Relations Committee, made the disclosure while telling senators that there were means of making a strategic defense system secure against the slow, low-flying cruise weapons.

"They shot down one of their own cruise missiles that got away from them and was starting to work its way across Norway and Finland," Mr. Weinberger said. "So there are defensive systems."

Mr. Weinberger gave no details of how the missile was downed or what weapon was used to destroy it. A Pentagon spokesman also declined to provide details.

Finnish authorities said Wednesday in Helsinki that they had found the nose of the cruise missile on frozen Lake Inari in Lapland. The unarmored missile crashed in northern Finland after crossing Norwegian and Finnish territory on Dec. 28. It was believed to have strayed from Soviet naval exercises in the Barents Sea.

The missile's flight, over a sparsely populated area of northern Norway and then over Finland, caused a sensation after Norwegian officials described it as a stray cruise missile, which is designed to carry nuclear warheads.

The Soviet Union apologized to Finland and Norway for the incident, offering the explanation that a target missile had gone off course during a firing exercise.

Earlier Thursday, officials in several countries denied a British newspaper report that the missile had been aimed at West Germany and had been shot down by Soviet forces.

The Daily Express reported that the missile was heading for either

Hamburg or Bremen, West Germany's two biggest ports, because of an erroneous flight path program, and had to be shot down by Soviet jet fighters.

Lieutenant Colonel Antti Mustonen at the Finnish Army headquarters said the report had "no basis whatsoever." In Bonn, Lieutenant Colonel Norbert Huebner of the West German Defense Ministry said the missile "was not capable of covering such a distance."

Britain's Defense Ministry said the Daily Express report was incorrect. "That version isn't borne out by any assessment that anyone else has," a ministry spokesman said.

The article also said the United States had arranged unofficially with the Soviet Union to conceal the details of the accident to avoid any harm to planned arms talks between the superpowers.

In Washington, the White House spokesman, Larry Speakes, denied there had been any such communication between the Soviet Union and United States.

A Pentagon spokesman, Major Pete Wyro, said earlier: "We find absolutely nothing to indicate there is any truth to this article."

The account written by the Daily Express's defense correspondent, Michael Evans, citing authoritative sources, said that after the missile was fired, the Russians suddenly realized that a war code plan instead of a target flight plan had been fed into the computer.

He wrote that the Russians warned the Americans of the mistake over a military hotline and that specially trained pilots in two jets were sent to shoot the missile down, and that one "did shoot it down."

The story said experts worked out from the missile's speed and trajectory that it was heading for Bremen or Hamburg, which are about 50 miles (80 kilometers) apart.

## Europeans Accept U.S. Offer to Participate in Space Station

The Associated Press

ROME — The European Space Agency approved Thursday its participation in a U.S. permanent space station and the construction of a more powerful launcher, an agency official said.

Delegates to the agency's meeting also agreed to increase their budget 70 percent by 1989, to \$1.3 billion, according to Gips Van Aardenne, the Netherlands' economics minister and deputy prime minister.

Mr. Van Aardenne said that delegates postponed a decision on two other projects: the Hermes space shuttle proposed by France, and a British plan for a rocket launcher that resembles an airplane, called Hotol.

Last year, President Ronald Reagan invited Europe to take part in the space station.

"We welcome and accept the offer by the president of the United States subject to reaching an agreement," said Mr. Van Aardenne, the president of the conference of government ministers who oversee the agency.

Delegates approved the Ariane 5 launcher, the latest phase of the Ariane project, begun by France in 1973. That project, which is expected to cost about \$2.1 billion, would increase Europe's payload capacity and could be used for launching manned flights and the Hermes mini-shuttle.

The European Space Agency is expected to build a separate section of the \$10-billion U.S. space station, which is scheduled to be

launched in the early 1990s. The cost of the European section, named Columbus, was not given but it also is expected to be about \$2.1 billion.

Plans call for the Columbus to be detachable from the U.S. space station, and able to form the basis of a separate European space station.

The meeting was the second of government ministers from agency members since the agency was

founded in 1975. The last meeting was in 1977.

The member nations are Belgium, Denmark, France, Ireland, Italy, the Netherlands, Spain, Sweden, Switzerland, Britain and West Germany. Norway and Austria are associate members, while Canada has a limited cooperation agreement.

The space agency has launched a number of communications and weather satellites. It also sponsored

a \$1 billion reusable manned laboratory launched aboard the U.S. space shuttle Columbia in 1983.

Eurospace, a group of about 40 aeronautical companies and banks, estimates that by expanding its program, the European Space Agency could capture 20 percent of the world market for satellite and launching services by 1993.

**Ariane to Launch 2 Satellites**

Europe's Ariane rocket will place two satellites in orbit Feb. 8, one for the Arab League countries and one for Brazil, the ArianeSpace company announced Thursday, Reuters reported.

The ArabSat 1-A, a communications orbiter built by the French company Aerospatiale in Toulouse, will provide telephone, tele, television and radio transmissions for 22 countries in the Arab League.

The satellite is the first of three being built by Aerospatiale at a cost of \$135 million. The second will be launched later this year.

Brasilat-1, built by Spar Aerospace Ltd., of Canada, will provide similar services for Brazil.

## Test on U.S. Shuttle Will Be Child's Play

Washington Post Service

WASHINGTON — The crew of the next space shuttle mission will take into orbit a grab bag of mechanical toys to see if they behave differently in weightlessness than they do on Earth.

Among the toys to be flown aboard the Challenger on Feb. 20 will be a paddle and ball, a windup car, a set of magnetic marbles, a set of jacks, a helix-shaped spring, a gyroscope, a yo-yo and a mechanical mouse.

"We're serious about this experiment, and we

plan to film these toys to see how they act in zero g," or zero gravity, Jeffrey A. Hoffman, an astronaut said Wednesday at Johnson Space Center in Houston.

Besides Mr. Hoffman and Senator Jake Garn, a Republican of Utah, the crew will include Karol Bobko, Donald E. Williams, Dr. Margaret Rhea Seddon, David Griggs and Dr. Patrick Baudry, a French scientist who is the first person to train as both an astronaut and a cosmonaut. He spent two years in the Soviet Union training for a flight he never took.

## Iraq Launches 2d Offensive in 4 Days, Says Many Iranian Soldiers Are Killed

United Press International

BEIRUT — Iraqi troops Thursday launched their second offensive of the Gulf War in four days, killing "large numbers" of Iranian soldiers and taking new positions in the central sector of the battlefield, Iraqi officials said.

But Iran said the "limited and futile offensive" failed and the Iraqi Army "suffered heavy casualties" in the Chagha Hamman re-

gion, near the Iranian border town of Qasr-e-Shirin, 100 miles (160 kilometers) northeast of Baghdad.

An Iraqi military spokesman in Baghdad said the Iraqis launched their surprise attack at dawn in the central part of the 733-mile front with Iran, taking "large numbers" of prisoners.

"Troops of the 16th Division completed their mission and secured new positions at dawn after

killing large numbers of Iranians and destroying their positions, artillery and ammunition," the Iraqi News Agency said.

But Iran's Islamic Republic News Agency denied the Iraqi reports, saying "the Iraqi forces failed to capture Iranian positions and suffered heavy casualties in their attack."

"The Iraqi regime, in a bid to attract media coverage and to boost the shattered morale of its troops, launched a limited and futile military offensive," IRNA said. Iran has said its army "crushed" the first Iraqi offensive in three years of their four-year conflict Monday, killing more than 200 Iraqi soldiers.

Iraq said its men overran three posts near the disputed Majnoon islands in the southern battle zone. The islands were captured in an Iranian offensive last February.

The Iraqi spokesman said the objects of the second push were to "reaffirm Iraq's right to punish the aggressor, extend its sovereignty, reaffirm Iraq's troop superiority and teach Iranian forces a fresh lesson in good behavior."

Egypt's Al Ahram newspaper said Wednesday there were indications Iraq had received satellite information from either the Soviet Union or United States before mounting Monday's three-pronged attack.

Iraq, which has a friendship and cooperation treaty with Moscow, resumed diplomatic relations with Washington in November.

The London-based International Institute for Strategic Studies has estimated the strength of the Iraqi armed forces at 642,500, while Iran has about 555,000 and another 200,000 paramilitary troops recruited for specific offensives.

The Iran-Iraq war broke out in September 1980.

**Red Cross Cooperation**

Iran has indicated that it is prepared to resume cooperation with the International Committee of the Red Cross, which it ended after being accused of grave violations of the Geneva conventions on humanitarian law. The Associated Press reported from Geneva.

A Red Cross spokesman said Thursday the organization had no confirmation yet from its delegates in Tehran. But he said a dispatch by the Iranian news agency that 30 disabled Iraqi prisoners would soon be repatriated "was the first concrete sign" that cooperation would be resumed.

## Sudanese Express Disgust Over Public Humiliations

By Judith Miller  
New York Times Service

KHARTOUM, Sudan — One by one the four men could be seen being led into the strobe-lighted room, carrying the chains that bound their feet.

The small room in the prison resembled a cheap cafe. Half-empty tea glasses were strewn across the table, which was covered by a plastic tablecloth. Flies buzzed overhead.

Around the table sat six mul-lahs, or Moslem sheikhs. They had been sent to encourage the four convicted heretics to repent. The men had chosen repentance rather than death, a day before their scheduled execution and two days after they had been forced to witness the execution of their leader, Mahmoud Mohammed Taha.

Mr. Taha, 76, the founder and head of the opposition — but moderate — Republican Brothers, was publicly hanged here Jan. 18. The other four were sentenced to death for handing out a leaflet opposing President Gaafar Nimeiri's imposition of a harsh version of Islamic law.

Each was asked to sign a confession that he had deviated from the true path of Islam. Then the four were pulled into denouncing Mr. Taha as a heretic.

One hesitated. He had worked with Mr. Taha for 30 years, he said. He would admit the error of his ways and vow to remain a good Moslem, but he could not denounce his friend. A mullah sporting a bright white turban and mirrored sunglasses warned him that unless

Mr. Taha was unequivocally denounced, the convict's recantation would not save him from the gallows. After some hesitation and more threats, the convict succumbed.

Mr. Taha's execution was open to the public, but no pictures were permitted. The recantations, by contrast, were crudely videotaped and broadcast on national television hours after they took place.

Sudanese have talked of little else since the broadcast. Many have privately expressed shock and disgust at the display.

"If Fellini had wanted to film a modern Spanish Inquisition, he could hardly have found a more suitable event," said a professor at Khartoum University.

Not only intellectuals were appalled by the video, which was broadcast during prime time.

"My children were so upset they could not eat their dinner," a young servant said.

The event alarmed the Sudanese precisely because it was out of character. A proud, generally tolerant people, Sudanese abhor public displays of violence or humiliation.

"President Nimeiri may have intended this as a warning to opponents," said a European diplomat and longtime resident. "He may have wished to show that he is still in charge, still to be feared and obeyed."

"But the hanging and recantations were morally repugnant to his people, even to his dwindling supporters," the diplomat said. "We may look back and say that it signaled the beginning of the end for him."



A CALL TO DISARM — Prime Minister Olof Palme of Sweden, left, President Rafil Alfonsin of Argentina, and Prime Minister Andreas Papandreu of Greece, right, at an Athens conference aimed at pressing the nuclear powers to stop the arms race. Page 2.

## Apportioning the Blame for Bhopal Disaster Bares Flaws in Regulation of Industry in India

By Robert Reinhold  
New York Times Service

BHOPAL, India — A few weeks before the gas leak at the Union Carbide factory here, the state pollution control board had granted the plant an "environmental clearance certificate."

It was a routine clearance required by the central government of India, and it was readily granted since, in the words of a board official, "only slight modifications were needed" in the plant's emission controls.

In fact, the plant was soon to suffer a chemical reaction that sped lethal methyl isocyanate gas across this city in central India on Dec. 3, leaving more than 2,000 dead and 200,000 injured.

The aftermath has brought much soul-searching and finger-pointing over who was ultimately responsible for the tragedy. Plant workers, technical experts and former Union Carbide officials have described a deterioration of safety

standards at the plant that, they say, helped provoke a disaster.

The tragedy has also led many to accuse the state pollution board, as well as many other agencies of the state and central government responsible for overseeing industry, for not having adequately monitored the plant.

Their failure has raised questions about the ability of India and its fast-developing states to regulate the new industry they seek. And it has led many to say that the responsibility for the deaths must be shared by the government.

Under Indian law, industrial licenses are issued by the Ministry of Industry in New Delhi. But enforcement of worker safety, environmental and other rules is left largely to the state governments.

Bhopal is the capital of Madhya Pradesh, the largest state in India. The state's Department of Labor employs 15 factory inspectors to monitor more than 8,000 plants statewide, and the Bhopal office responsible for monitoring the

Union Carbide plant has only two inspectors, both mechanical engineers with little knowledge of chemical hazards.

Inspection records show that they made many visits to the plant after internal leaks and other mishaps, but offered only minor remedial recommendations, generally urging the company to follow its own operating procedures more closely.

Similarly, the Madhya Pradesh air and water pollution control board has acquired not a single instrument to measure air pollution, nor has it hired any new staff since the central government passed its first air-pollution law more than two years ago.

Almost all government officials interviewed maintained that they were not responsible for looking after the methyl isocyanate tank that leaked.

An official of the state labor department's division of industrial (Continued on Page 5, Col. 1)

## U.S. Will Halt Arms Sales In Mideast

By Bernard Gwertzman  
New York Times Service

WASHINGTON — The Reagan administration had announced that it is halting new arms sales to the Middle East for at least several months while it prepares a "comprehensive review" of the connection between U.S. security assistance and peace and stability in the region.

It was the first time in the memory of senior State Department officials that there had been a deliberate decision to suspend new arms sales to all Middle East nations since the United States became a major supplier in the 1960s.

The officials said that the decision announced Wednesday to delay new arms sales was taken primarily to avoid an early clash with some members of Congress over a contemplated large-scale sale of F-15 fighter planes and other equipment to Saudi Arabia.

It was also taken to allow time to resolve sharp disagreements within the administration over arms sales policy to various Arab states such as Jordan, Oman and Kuwait, the officials said.

A third consideration, some officials said, was to reduce pressures on Israel, now facing an economic crisis, to match expensive arms purchases by Arab countries.

Richard W. Murphy, an assistant secretary of state, divulged the move Wednesday to a House Foreign Affairs subcommittee.

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### BUSINESS/FINANCE

■ West Germany's central bank decided to raise its key Lombard interest rate ½ point to 6 percent, as of Friday. Page 11.



## Chess Marathon Has Become as Much a Test of Will as Wits

By Seth Mydans  
New York Times Service

MOSCOW — In the most grueling world championship in modern chess history, two young players from the Soviet Union remain locked in a battle that has become as much a test of endurance as of skill.

After 47 games and nearly five months, the score stands at 5-2, with the defending champion, Anatoli Karpov, 33, needing only one more victory to defeat his challenger, Gary Kasparov, 21.

But in a match that has set records for duration and for the number of its unscored draws, that final victory has eluded Mr. Karpov. The challenger's backers point out that in the 37 games after Mr. Karpov's fourth victory, the score had been even, at 1-1. Then, Wednesday, Mr. Kasparov narrowed the gap by winning the 47th game.

By now, grandmasters say, it is a struggle in which the players, who for hours sit almost motionless at the chessboard, are fighting both each other and the ruinous errors that exhaustion can bring.

"The score itself is no longer of interest to anyone," said the Russian grandmaster, Vali Smyslov, a former world champion. "The extraordinary thing about this match is the way both men continue a battle that would already seem to have gone beyond the limits of endurance."

There have been 40 draws, of which a record 17 came consecutively. The longest previous match was the 34-game series between Alexander Alekhine of France and José Raúl Capablanca of Cuba in Buenos Aires in 1927.

"For me, the match is already less interesting than what will follow after the match," said another grandmaster. "Will their abilities suffer lasting effects from the contest?"

Despite the players' unerring self-control at the board, the tournament's official doctor, Pyotr Nasimov, has detected signs of tension. When Mr. Kasparov is nervous, Mr. Nasimov said, he rests his elbows on the table and places his hands at his temples, his fingers shading his eyes as he struggles to bring himself under control.

Mr. Karpov, one of the coolest and steadiest players chess has known, sits with hardly a muscle moving, swallowing occasionally as he thinks. Under pressure, his cheeks flush and his ear lobes turn white, the doctor said.

He said both players have lost several pounds. "There is no break in the tension," a Soviet chess journalist said. "This is like taking examinations for four straight months. There is no relaxation even between games because the players must do analyses and plan their strategies."

The games are played on Mondays, Wednesdays and Fridays, with adjourned games finished on the following days. A member of Mr. Kasparov's delegation said the challenger sometimes spends much of the night after an adjourned game analyzing what happened. His doctor sometimes insists that he take time off to relax until midnight. "After midnight, he is free to work as long as he wants," the delegation member said.

After nights of analysis, both men return to face each other again in the ornate Hall of Columns in the House of Unions in central Moscow. "You come in each day and see the same man across the chessboard from you, and you get fed up with him," Mr. Smyslov said. "That alone contributes to the psychological pressure."

When the match opened in September, Mr. Karpov, who has been world chess champion since 1975, quickly won four games. Chess experts and members of Mr. Kasparov's delegation now agree that the challenger, who is the youngest man ever to play in a championship final, was overconfident. A brilliant player who had won his previous games with style and daring, he had not often faced strong challenges, especially in the end game.

The extraordinary aspect of the match, the experts say, is that Mr. Kasparov has managed since then to stave off a final defeat, and by playing strong chess.

Had Mr. Kasparov lost all six games quickly, they say, he would have been crushed. And Mr. Karpov might have remained at the summit of the chess world for years without a serious challenger.

By hanging on, they say, Mr. Kasparov has displayed a striking strength of character, re-establishing himself as a worthy opponent no matter the outcome.

Mr. Karpov, for his part, has shown extraordinary control in continuing to play carefully and coolly although he has not been able to win again. Twenty games have passed since his last victory.

"After his first four wins, he wanted to win the match, 6-0, to crush his opponent," said a close associate of Mr. Karpov, Alexander Roshal, the first deputy editor of the chess journal called 64.

"Then, when Kasparov won a game, you might think Karpov would feel he had nothing to lose and would lash out. He might drop a couple of games perhaps, and then win. But in chess there is never nothing to lose."

The champion "has a strong character, a strong will," Mr. Roshal said. "Organically, he cannot stand to lose. He cannot lose. It turns out that Kasparov is made of the same clay."



Anatoli Karpov, left, studied move as the challenger, Gary Kasparov, watched in 41st game.

## Attacks on Israeli Troops Expected to Increase

By John Kifner  
New York Times Service

BEIRUT — Israeli troops likely will be faced with more guerrilla attacks, not fewer, after completing the first stage of their planned withdrawal from southern Lebanon, military officials and other authorities here believe.

In the last few days there already has been a noticeable increase in attacks on the Israelis and the local militia forces they set up. Most of the attacks have occurred in the territory Israel will continue holding after it pulls out of the area around the port city of Sidon.

The Israeli government, tired of the occupation because of the incessant ambushes made, largely, by militant Shiite Muslims, decided on the withdrawal plan over sharp internal objections.

But if the major goal is to cut down the attacks and the casualties, the withdrawal from Sidon will present several new problems, according to diplomats in Beirut. Western military sources, leaders of Lebanese factions and others familiar with the area.

The most important, and most obvious problem, they say, is that the area Israeli forces still will occupy is the heartland of Shiite resistance. They say the Israelis also face these dangers:

• Israel's new lines, which cover rugged mountains and valleys between tiny villages, will be much

more difficult to control and protect against infiltrators.

• The vacated area around Tyre, even if the weak Lebanese Army is able to exert some control, is likely to turn into a staging area for new attacks.

• The Lebanese guerrillas, sources familiar with their thinking say, will take the first-stage withdrawal as a rare victory and harry the Israelis all the more, rather than believing that the Israelis eventually will leave the country on their own.

There were a number of signs that the Israelis plan to pull out of the Sidon area well ahead of the Feb. 18 deadline they have set. The withdrawal possibly could be completed in the next few days.

Since Monday, Israeli soldiers and the Israeli-paid militia, the South Lebanese Army, have prevented foreign journalists based in Beirut from crossing into southern Lebanon.

But journalists who were in the Sidon area last week saw convoys rolling in and out of Sidon. They were taking away what could be salvaged, from prefabricated sheds to concrete "dragon's teeth" roadblocks, from an installation reported to cost about \$30 million.

Wednesday morning, the Beirut daily newspaper *an-Nahar* quoted Lebanese military sources as saying the Israelis were preparing to pull out within 24 hours. That evening, the state radio reported that col-

umn of flatbed trucks carrying tanks were leaving Sidon.

The Lebanese Army says it has a force of 3,000 men ready to enter Sidon after the Israeli leave.

However, there are a number of other possibilities. The Progressive Socialist Party of Walid Jumblat, the Druze leader and minister of public works and tourism, has announced that it is ready to go in with a Marouf Saad brigade, named after the father of a Sunni leader severely wounded by a car bomb last week.

■ **PLO Caves Destroyed**  
Israeli forces in southern Lebanon blew up caves Wednesday that had served as secret PLO arms depots before Israel's invasion in June 1982. The New York Times reported from Tel Aviv.

Officers said they also began demolishing Israeli installations Wednesday, having removed all the heavy equipment it was feasible to repatriate from the 200-square-mile (324-square-kilometer) area to be evacuated by Feb. 18.

Among the Palestine Liberation Front installations demolished were bunkers, artillery positions, a

communications command post and a building said to have served as a radio station. The demolition squads operated Wednesday in the vicinity of the Zaharani River and near Sarafand and Arab el Salim.

■ **Four Guerrillas Killed**  
Four guerrillas were killed in a clash with the Israeli Army north-east of Jezzine in southern Lebanon, the army said Thursday. United Press International, in a story from Jerusalem, said no Israeli casualties were reported.

Details were scant. The army said one of its detachments encountered "a terrorist squad" and opened fire. In the ensuing search, the army said, the bodies of four guerrillas were found, along with Kalashnikov rifles and rocket-propelled grenades.

In Beirut, seven persons, including a schoolboy and a Roman Catholic priest, were wounded by a mortar barrage in the Christian sector. Schools in the area were shut for fear of more attacks.

Police sources said they had no explanation for the shelling. Christian militiamen did not retaliate.

## 20 Jailed Arabs Allege Israelis Tortured Them

Compiled by Our Staff From Dispatches

WASHINGTON — Twenty Palestinian youths have signed affidavits stating that they were tortured and humiliated by Israeli soldiers at the Fara prison near the city of Nablus on the Israeli-occupied West Bank.

The affidavits were made public Wednesday by the International Commission of Jurists, based in Geneva.

The Palestinians were "security prisoners" at the prison, which they described as an interrogation and torture center. They said they had been beaten, forced to stand for hours in cold showers, held in fetid toilet stalls or forced to lie on floors soiled in urine, subjected to sexual abuse and ordered to insult themselves and their families.

The report, prepared by a group of West Bank Palestinian lawyers who have been outspoken critics of the Israeli government, was distributed by the Washington representative of the jurists' commission. The report was released on the last day of an official visit to the United States by Israel's defense minister, Yitzhak Rabin.

Mr. Rabin, whose ministry is in charge of the prison, described the report as "total nonsense." He said he would allow impartial observers to visit the prison to observe conditions.

Another statement, attributed to military sources, was issued in Tel Aviv. It said Israeli security forces "have no intention of addressing the web of false claims and baseless facts" put out by "hostile organizations who make cynical use of legal-judicial organizations to spread their base opinions."

In rejecting the charges, the statement said, "The Fara detention facility is under the supervision and control of Israeli military and civilian legal bodies and of other public bodies as well. Furthermore, the International Committee of the Red Cross has free access, just as it has to other detention facilities in the area."

A spokesman for the Geneva-based ICRC, Jean-Jacques Kurz, confirmed that Red Cross visits at Fara camp are continuing. But he said that "this does not give any indication on the treatment of prisoners." He said conditions of their detention are being discussed confidentially with Israeli authorities in accordance with the ICRC's policy of maintaining strict confidentiality on its observations. (LAT. AP)



Valerian V. Mikhailov, left, leader of the Soviet delegation to the Mutual and Balanced Force Reduction talks in Vienna, spoke with the U.S. envoy, Maynard W. Giltman, on Thursday as the 35th round of the negotiations began.

## NATO's Primary Benefit Is to Europe, Shultz Says

The Associated Press

WASHINGTON — Secretary of State George P. Shultz said Thursday that Western Europeans should regard North Atlantic Treaty Organization defenses as benefiting their own future, not that of the United States.

He said that "brute Soviet power" perpetuated the political division of Europe.

In a review of U.S. foreign policy before the Senate Foreign Relations Committee, Mr. Shultz made no direct reference to opposition in Western Europe to the deployment of U.S. missiles.

"The peoples of Western Europe should see defense as an endeavor they undertake for their own future, not as a favor to the United States," he said.

But, he added, "the security and well-being of Western Europe continue to be a vital interest of the United States."

His statement began a six-week review of U.S. foreign policy by the committee. Mr. Shultz repeated a theme of the Reagan administration when he condemned the political division of Europe.

"It exists only because it has been imposed by brute Soviet power," he said. "The United States has never recognized it as legitimate or permanent. Behind this cruel barrier lie political repression and economic stagnation."

"We hope to see the day when the Soviet Union learns to think anew of its own security in terms compatible with the freedom, security and independence of its neighbors," Mr. Shultz said.

President Konstantin U. Chernenko said in written replies to a U.S. television interviewer Thursday that the conditions were set for fruitful arms talks. Reuters reported from Washington.

In replies to questions from the Cable News Network, Mr. Chernenko charged that President Ronald Reagan's proposed space-based anti-missile defense system was "offensive and aggressive." But he said he had no doubt that the conditions had been set at U.S.-Soviet

talks in Geneva on Jan. 7 and 8 for "serious and fruitful negotiations" on nuclear and space-based weapons.

In Vienna, a Warsaw Pact spokesman said Thursday that East-West talks on reducing conventional forces in Central Europe could go into a third decade unless NATO countries changed their negotiating stance.

Mikhail Kaakeyev of the Soviet Union said that, without a change by the West, "the negotiations might go on for over 20 years and they would yield a mutually acceptable result."

He was speaking after the first session of Mutual and Balanced Force Reduction talks since Mr. Shultz and Foreign Minister Andrei A. Gromyko agreed in Geneva to resume talks on limiting nuclear weapons. The Vienna talks began more than 11 years ago.

Last April, NATO dropped its insistence that the two sides should agree on precisely how many troops they had in Central Europe, proposing instead that they should agree only on the approximate size of combat forces and combat support forces while not counting rear logistical forces in initial stages. The Soviet Union dismissed the plan at the time.

■ **Chernenko Interview**

Mr. Chernenko told Cable News Network that the goals set in Geneva were "a correct scheme, in fact the only possible scheme," Reuters said.

The network's Moscow bureau chief, Stuart Loory, said the Soviet Foreign Ministry spokesman, Vladimir B. Lomeiko, told him that Mr. Chernenko would have liked to receive him personally "but at present he is on vacation." Mr. Chernenko has not been seen in public since Dec. 27.

Mr. Lomeiko denied rumors that Mr. Chernenko, 73, was seriously ill. He said top Soviet leaders were entitled to a one-month winter vacation and Mr. Chernenko was on leave "somewhere near Moscow."

## Papandreou Urges End to Arms Race

The Associated Press

ATHENS — Prime Minister Andreas Papandreou appealed Thursday for a "world campaign" to persuade the nuclear powers "to listen to the voice of reason and stop the arms race on Earth and in space."

He said that a declaration for a nuclear ban issued by six heads of state and government Monday in New Delhi also aimed at "informing public opinion of the imminent danger threatening mankind so that people may exert strong pressure on the states with nuclear weapons."

Mr. Papandreou was addressing a conference attended by four of the six leaders and a group of 50 personalities ranging from politicians, international relations experts and churchmen to poets.

The one-day meeting was called to work out practical ways of pressuring the nuclear powers to halt the arms race and ban weapons in space.

President Raul Alfonsín of Argentina said that the disarmament initiative was "designed to give people a chance to live in a more just and correct society."

President Julius K. Nyerere of Tanzania said that Third World countries "have no hope at all" if the arms race continues. "The funds that would be freed as a result of disarmament would help combat famine and sickness around the world," he said.

Prime Minister Olof Palme of Sweden said: "The message of New Delhi is that our future isn't in the hands of the superpowers."

The Delhi declaration was signed by the four leaders, as well as by Prime Minister Rajiv Gandhi of India and President Miguel de la Madrid of Mexico.

■ **U.S. Request Rejected**  
Greece has refused the United States permission to modernize nuclear installations for weapons in Greece that were installed in the 1950s. Mr. Papandreou revealed, according to a Washington Post report from Athens.

He said Greece had rejected a request to update "the areas where the weapons are stored." He made clear that Athens would also reject any application to replace the existing weapons, which he called "obsolete." He did not say whether any such petition had been made.

## WORLD BRIEFS

### Clemency Urged for Polish Ex-Captain

TORUN, Poland (AP) — The lawyer for a former captain in the secret police accused as the ringleader in the slaying of a pro-Solidarity priest said Thursday his client was not guilty of premeditated murder and asked that his life be spared.

Three of the lawyers of the four defendants made their final arguments to the court Thursday but the judge ordered a four-day adjournment until Tuesday after Barbara Maronik, the lawyer for the fourth, fainted in the courtroom. She is one of two lawyers representing former Colonel Adam Pietruszka, who is charged with instigating October's abduction and slaying of Father Jerzy Popieluszko.

In his closing arguments, Janusz Ilasz, the attorney for former Captain Grzegorz Piotrowski, denied suggestions by Roman Catholic lawyers in the trial that the officers were acting in the interest of a foreign power. "Some people shout that the CIA is responsible, others through Radio Free Europe that it was the KGB," said Mr. Ilasz. "The only higher-up involved was Pietruszka. Only Pietruszka had an interest in this."

### Botha Sets Terms for Mandela Release

CAPE TOWN (AP) — President P.W. Botha told Parliament Thursday that South Africa was prepared to consider the release of the black nationalist leader, Nelson Mandela, the South African Press Association reported.

The news agency said Mr. Botha's government would require only that Mr. Mandela, imprisoned for life for sabotage, divorce himself from the violence carried out by the African National Congress, which he heads. Mr. Botha's remarks appeared to be the farthest any government official has gone in suggesting that Mr. Mandela, 66, might be freed. He was sentenced in 1964.

### Shamir Confronts Israeli Settlers

JERUSALEM (NYT) — Foreign Minister Yitzhak Shamir discussed a recent wave of attacks on Israeli vehicles in the occupied West Bank on Thursday with Jewish settlers who blamed the government for the situation and demanded the resignation of Defense Minister Yitzhak Rabin, the army radio reported.

Mr. Shamir reportedly called the settlers' accusations "hysteria" and "exaggerations." He told the settlers: "I love you with all my heart, and I have expressed it, but I also know your mistakes. The history of the people of Israel is full of such examples. The best people, with the best intentions, have sometimes harmed, out of miscalculation, their own ambitions."

The radio described the settlers as "surprised" with the thrust of Mr. Shamir's remarks. During the previous 10 days there have been repeated attacks of gunfire, stones and firebombs on Israeli vehicles traveling in the West Bank.

### Kinnock Assails Thatcher on Pound

LONDON (Reuters) — Neil Kinnock, leader of Britain's opposition Labor Party, accused Prime Minister Margaret Thatcher on Thursday of turning Britain into the "punchbag of international speculators."

Opening a six-hour debate in the House of Commons, Mr. Kinnock charged that Mrs. Thatcher wanted "a land fit for speculators." The motion was prompted by falls in the value of the pound and the government's move Monday to institute a 2-percent rise in interest rates. If Mrs. Thatcher lost the vote, she would be obliged to resign, but the government was assured of an easy victory, given its 140-seat majority in the lower house.

The debate coincided with a government announcement that unemployment had risen by 121,550 in January to a record 3,340,958. Thomas King, the secretary of state for employment, laid part of the blame on the 10-month miners' strike, which he said had damaged job prospects.

### French Seize 2 Top Basque Guerrillas

BAYONNE, France (AP) — French police have arrested two top leaders of the Spanish Basque guerrilla movement, ETA, and a major stock of arms and explosives, they said Thursday.

First arrested was Juan Lorenzo Lasa Michelena, 29, as he left a villa in Anglet, near Bayonne. Wednesday. He was carrying a pistol. He is reported to be the head of the so-called action commando of ETA, which stands for Basque Homeland and Liberty. He is alleged in Spain to have killed or instigated the murders of army officers, a Madrid judge and local officials in the Basque Country between 1975 and 1979.

The villa was said by the police to be a logistics base for commandos operating in Spain. The police seized several other persons, including two women, José Ramón Martínez de la Fuente, alleged to be the ETA leader in Spain's Navarre province, was also captured carrying a pistol. The police found more pistols, shotguns, hand grenades, plastic explosives, detonators, fuses and a Soviet RPG-7 anti-tank rocket.

### Sudan Hostages Said to Seek Release

PARIS (IHT) — The families of two Swiss free-lance journalists held captive in Sudan for almost a year discounted Thursday a Sudanese rebel spokesman's claim that the two had decided to remain in the southern rebel-held area of their own free will.

The two, Till M. Lincke and Astrid Hollenstein, were supposed to have been released last Monday with four employees of International Construction Co., a French concern. Their captors, however, failed to bring them to Gambela, the Ethiopian border town where the others were freed. Yves Parris and Gwynne Morson, two of the released hostages, told Mr. Lincke's mother in Zurich Wednesday.

Mrs. Lincke said in a telephone interview that Mr. Parris and Mr. Morson told her they were held in the same camp as the two Swiss for most of their captivity but were separated from them last December. Mrs. Lincke said both released hostages thought it was "totally out of the question" that the two stayed behind voluntarily as Stephen Bask, spokesman for the Sudanese Popular Liberation Army, told *Agence France-Presse* in London Thursday.

Mr. Lincke, 31, went to Sudan to report on the rebellion there for the Zurich newspaper *Tagess-Anzeiger*. He and Miss Hollenstein were captured last February at about the same time as the four employees of the French company but in an unrelated action.

### For the Record

Thirty-five members of West European parliaments have asked Austria to dismiss Defense Minister Friedrich Frischenschlager for having greeted a Nazi war criminal on his return from an Italian jail last week. Most of the members to the Socialist group of the Council of Europe's Parliamentary Assembly. No Austrian or West German deputies supported the declaration. (AP)

Turkish military authorities have arrested 37 suspected leftist terrorists in a series of operations in Istanbul and the provinces of Ankara and Tunceli, the martial law command announced Thursday. It said the suspected terrorists, belonging to an outlawed extremist leftist organization, were accused of killing three persons, including a policeman. (AP)

Italian authorities in Naples indicted 75 Red Brigades suspects Thursday and charged them with a series of terrorist attacks between 1978 and 1983. The charges included the 1980 killing of a city government official, Pino Amato, and the kidnapping for ransom of a Christian Democrat politician, Ciriaco De Mita, the following year. (AP)

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## Outcry Mounting Over Debt Crisis for U.S. Farmers

By Ward Sinclair  
Washington Post Service

WASHINGTON — Farmers, bankers and clergy have warned a congressional meeting that unless Washington acts quickly to resolve the growing farm-debt squeeze, U.S. agriculture and banking institutions will be thrown into chaos.

"The scope of the present crisis is unparalleled, even in the 1930s. We're astounded at the rapidly escalating nature of the crisis," Bishop Maurice Dingman of the Roman Catholic Diocese of Des Moines, Iowa, said Wednesday in a statement that brought a standing ovation from the audience.

"It is a disaster of astounding proportions. Equally astounding is the reaction of federal officials who are unaware of or don't care about the gathering storm," the bishop said on behalf of the National Catholic Rural Life Conference.

"We're dying," he added, and maintained, "If we lose those family farmers and businessmen in small towns, we have lost the bedrock of democracy."

Other witnesses brought much the same message to the meeting, convened by Senator John Melcher, Democrat of Montana, as



Senator Tom Harkin

"We're dying. If we lose those family farmers and businessmen in small towns, we have lost the bedrock of democracy."

part of a bipartisan Farm Belt campaign to focus the Reagan administration's attention on the farm financing crisis.

Speaker after speaker emphasized that the debt-restructuring program announced by President Ronald Reagan last September is not working and will not work unless rapid and major changes are made so it reaches more farmers

and draws more participation by country banks.

Although the cabinet discussed the situation this week, government spokesmen said there was no indication that the administration intended to respond to the increasing calls for help.

Mr. Melcher, who set up the session after he was told it was "pre-mature" for the Senate Agriculture

Committee to take it up, said, "It is very alarming to find an attitude in Washington that pushes aside what many of us feel is a most critical crisis."

His meeting drew 13 House and Senate members, Republicans and Democrats, who took turns urging quick action by the White House to avert a situation that, in the view of many bankers and public officials, could throw thousands of farmers into bankruptcy if they cannot get spring planting loans in the next 60 days.

"My state of Iowa is dying," said Senator Tom Harkin, a Democrat. "In the first six years of the Great Depression, Iowa lost 7.8 percent of its farmers. This year, we will lose 10 percent in one year."

"We don't have the time or the need for further study," said A.J. King of Kalispell, Montana, president of the Independent Bankers Association of America, which represents most of the rural banks that finance farmers.

He said the administration must increase funding "to several billion dollars" for the Farmers Home Administration, which finances farmers who cannot get credit elsewhere.

"It is not just a crisis. We're seeing a farm collapse," said David Senter, an official of the American Agriculture Movement. "Not only the collapse of rural America, but we're about to see an explosion."

"Confrontation," added Senator J. James Exon, Democrat of Nebraska, "is something we use as a last resort, and we're almost there." "March 1 is the magical date because rents and payments come due," said Tim Wages, a Nebraska fertilizer dealer. "If they are not paid, land and machinery values would collapse. It is paramount that some good news come from Washington to shore up confidence."

**Reagan Meeting Sought**  
Twenty-three senators asked Thursday that President Reagan meet with a bipartisan group of lawmakers on the farm crisis, United Press International reported.

The request was made in a letter by Senator Harkin that said: "We believe a meeting is necessary to apprise you of just how serious the situation is, and how much it has worsened in just the last two months."

A similar letter was being circulated in the House.

### Farm Income in the U.S.

Net income of farm operators from farming, in billions of constant 1967 dollars, adjusted for inflation. Estimates for 1984 range from \$9 billion to \$11 billion.

Source: Department of Agriculture

NYT

## Democrat Says Meese Is 'Beneath' New Post

By Loretta Tofani  
Washington Post Service

WASHINGTON — The senior Democrat on the Senate Judiciary Committee broke into a long second day of hearings dominated by dry questions and attacked Edwin Meese 3d, the nominee for attorney general, saying his conduct was "beneath the office" to which he aspired.

"Why do you stick to the technicalities?" Senator Joseph R. Biden Jr., Democrat of Delaware, demanded Wednesday after Mr. Meese defended his participation in discussions about a federal job for his accountant, John R. McKean, who arranged two loans totaling \$60,000 for him.

"In the meeting when McKean's name came up, you say it was not a formal meeting," Mr. Biden said. "Who the hell cares whether it was a formal meeting? Who the hell cares whether he was a trustee of the loan or the person who loaned it?"

Mr. Meese had said he did not believe he had a conflict of interest because the discussions did not occur during a formal meeting and because Mr. McKean had arranged for the loans but was not the source of the money.

Mr. Biden also castigated Mr. Meese for his unwillingness to say he had received a letter from Thomas J. Barrack Jr., a partner in the law firm of Barrack, Barrack & Barrack, which had arranged for Mr. Meese's home in La Mesa, California. Mr. Barrack also received a federal job later.

"It's an attitude," Mr. Biden said. "Why is it so difficult for you to go back and say, 'In hindsight, it was wrong for me to do such and such'?"

"I have said that," Mr. Meese responded.

The White House counselor seemed shaken by Mr. Biden's outburst. He said that in his 25 years in public life he had met "the high standards" Mr. Biden described.

"If I had a chance to do over what we talked about, I would do some things over," Mr. Meese said. "But you can't relive history. My decisions were made on the highest standards I had at the time."

The attack on Mr. Meese previously was led by Senator Howard M. Metzenbaum, Democrat of Ohio, and had been only halfheartedly followed by the six other Democrats on the 17-member judiciary panel. Few of the Republican members were present for Wednesday's second day of confirmation hearings.

The impact of Mr. Biden's probing was softened by the committee chairman, Strom Thurmond, Republican of South Carolina, who told Mr. Meese: "If you were not a man of the right character, you'd be a multimillionaire. Instead, you can't make the payments on your house."

In a related development, Senator William Proxmire, Democrat of Wisconsin, who is not on the committee, called for a freeze on the nomination pending further inquiry into whether Mr. Meese had a role in a Justice Department decision to halt an investigation of General Dynamics Corp., a major defense contractor. The investigation was reopened last year.

In a letter Mr. Proxmire received this week, Mr. Meese wrote that he met briefly with two top officers of the firm in 1981 and 1983. But he denied suggesting to the Justice Department that it end its investigation of the firm.

"Neither I nor my staff," Mr. Meese wrote, "ever had any contact with the Department of Justice regarding any matter concerning General Dynamics, other than recent routine briefings for my current confirmation hearings."

Mr. Proxmire said he was troubled by Mr. Meese's willingness to contact Defense Secretary Caspar W. Weinberger to arrange a meeting between Mr. Weinberger and General Dynamics officials to discuss a conflict over construction of the Trident nuclear submarine.

Mr. Meese promised to call Mr. Weinberger after an Aug. 7, 1981, meeting with General Dynamics officials, according to a summary of the meetings that Mr. Meese attached to his letter.

Mr. Proxmire questioned why the company felt it needed to go through Mr. Meese at the White House and whether it hoped that his call to Mr. Weinberger "would be viewed as a not-so-subtle sign of White House favoritism."



PAPAL PONCHO — Pope John Paul II tried on an Inca shawl in Quito, Ecuador. In an address to about 200,000 Indians he urged them to search for justice and equality and criticized alcoholism and lack of faith.

## Former CIA Aide Backs CBS on Troop Count

By Eleanor Randolph  
Washington Post Service

NEW YORK — Richard Kovar, a Central Intelligence Agency official for more than 30 years, was the kind of witness CBS officials have been promising for months, a man who would overcome the intelligence official's instincts to remain silent and speak out in court about a troubling event 17 years ago.

In an emotional speech Wednesday during the \$120-million libel action by retired General William C. Westmoreland against the network, Mr. Kovar said he felt that many CIA employees had "perished over their consciences" after a controversial 1967 estimate of Vietnam enemy troop strength that is a central issue in this case.

"I myself do not feel very good about it," he told the jury.

Supporting Samuel A. Adams, a CBS defendant and former CIA analyst, Mr. Kovar said, "He didn't salute and shut up," when he disagreed with the agency's estimates of enemy troop strength. "Not only did he not shut up, he pushed his arguments, and he pushed his outrage."

Like some other CIA witnesses called by the network, Mr. Kovar blamed General Westmoreland's command for what he believed was

a serious undercounting of the enemy in Vietnam in 1967 — as charged in the 1982 CBS documentary at issue in the case.

He said General Westmoreland's intelligence officers failed to include the "home militia" units in the official order of battle that he said was "supposed to produce the best judgment of the best minds in the United States government" on the enemy in Vietnam.

Mr. Kovar said after the CIA agreed with General Westmoreland's Military Assistance Command, Vietnam, to lower the official enemy figures, he encouraged Mr. Adams "to go out and find the real story, to dig up what had happened in this thing."

Mr. Adams, who resigned from the agency in 1973, was a crucial source for the CBS documentary, and he served as a paid consultant for the program.

Mr. Kovar said he told Mr. Adams in 1968 that he felt there was "a direct guilt trail" between the lowering of the estimate and the "debacle in January 1968," a reference to the Tet offensive by the North Vietnamese and the Viet Cong, regarded by many as a turning point in American support for the war.

## Georgia Gazette Is to Close; Weekly Won Pulitzer in '84

The Associated Press

ATLANTA — The Georgia Gazette, the weekly Savannah newspaper that won the 1984 Pulitzer Prize for editorial writing, will stop publication March 1 because of financial difficulties, according to the paper's former editor.

Albert Scardino said Wednesday by telephone from New York, where he has taken a job with The New York Times, that the Gazette's already precarious financial situation had been dealt the fatal blow Jan. 2, when Chatham County officials took away the legal advertising that had provided 60 percent of its revenues.

The Gazette, which claims a circulation of 3,000, became the first Georgia newspaper to win a Pulitzer since 1966 when it won the award for editorial writing in April. It was also the first weekly in 20 years to win the prize.

In addition, Mr. Scardino's editorials won him the 1982 Golden Quill, offered by the International Society of Weekly Newspaper Editors for the best editorial writing among weeklies.

It has won awards for its reporting, particularly for exposing and pursuing the political corruption surrounding a former state labor commissioner.

## Hanae Mori's Beaded Gowns Steal Couture Show

Compiled by Our Staff From Dispatches

PARIS — As this week's haute couture spring collections drew to a close, the Japanese designer Hanae Mori outdid the 22 houses showing this season with some exquisite beaded evening gowns, blanketed by a fortune in hand-sewn beadwork.

Miss Mori's gowns were such works of art that they belong in the Paris fashion museum due to open in a wing of the Louvre later this year.

Most impressive among them was a figure-hugging long dress beaded with large squares that resembled separate paintings of butterflies and flowers. Another number fit for a millionairess was an ankle-length flared white gown beaded all over with white pearls.

Beaded flowers with stems curled around a silver of long black crepe. Scarlet O'Hara ball gowns of black dotted lace sported huge sleeves and skirts swaying over stiff petticoats.

The sophisticated, sedate collection was almost entirely dressy, without a tailored entry in sight. Late day dresses as well as daytime suits were draped or shirred.

The Norwegian designer Per Spook reaffirmed his tried-and-true sporty but elegant look, beloved by such French women as the actress Jeanne Moreau.

Frank tops, trousers, glittering embroidered sweatshirts, mid-calf pleated skirts and cardigan jackets came in silks and satins in softest shades of brown, rust, sand, caramel and tobacco. The skirts were long, pants were full, and some dresses were very fitted.

Some argue that this pared-down simplicity is not couture. But his

satins sheaths with crossed straps on the back and sparkling jackets in bold abstract patterns were unforgettable.

He also knows how to match angora cardigans with satin blouses and gabardine pants to make the wearer feel both dressy and yet comfortable.

As the high fashion shows ended, Philippe Venet won the annual best designer prize awarded by fashion critics.

The mayor of Paris, Jacques Chirac, presided over the ceremony, congratulating the couturiers for their contribution to French prestige and the economy. His wife, also present, wore a superb two-piece houndstooth-check outfit by Guy Laroche.

As the week of collections wound to a close, the mood was exuberant. A spokesman for the industry, Jacques Moncler,

seemed elated by the renewed vigor of couture after the doldrums of several years back.

Not since the rise of the ready-to-wear industry in the early 1960s have couture clothes looked better. Now that the novelty of buying expensive clothes off the racks has worn off, the clients for made-to-order fashion are back in force, and, in particular, the Americans, who are encouraged by the exchange rate of almost 10 francs to the dollar.

Most of the 23 houses showing their collections this week report gains of at least 20 percent in sales over last year. Chanel insisted that its figures had doubled and the Chambre Syndicale, which organizes the shows, announced that the industry average is up 35 percent.

(UPI, AP, NYT)

## Intruder Arrested at the White House 'Hears Voices,' Spent Time in Asylum

The Associated Press

WASHINGTON — Robert Latta, who was arrested last week after strolling uninvited into the White House, "hears voices" and spent time in a mental hospital in June, according to documents filed in District of Columbia Superior Court.

Mr. Latta, a water meter reader from Denver, was arrested one floor below President Ronald Reagan's living quarters Jan. 20, hours before the president was sworn in for a second term. He was charged with unlawful entry, a misdemeanor, and faces up to six months in prison and a \$100 fine if convicted.

A psychiatrist, Norman L. Wilson, spoke to Mr. Latta in his cell before he was released. He reported

Mr. Latta told him "he wanted to enter the White House to see the president." Mr. Latta was in a mental hospital in June, Dr. Wilson said, and "he hears voices saying, 'You blew it.'" The psychiatrist recommended further psychiatric study.

At a hearing Jan. 21, Mr. Latta was ordered to undergo a mental evaluation. But the order was not received by city psychiatrists until three days later, hours after Mr. Latta had posted bond for his release.

His attorney said Wednesday that Mr. Latta would return to Washington in a few weeks for a psychiatric examination to determine whether he is competent to stand trial.

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# Herald Tribune

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## Cheaper Oil's Impact

The drop in the OPEC price of oil will have an incalculable political impact in the exporting countries. While the impact in the industrial world will be good, they will need to keep an eye on the reaction in parts of the world that are not entirely stable even under the best of conditions.

In the 1970s, the OPEC price became a great symbol in the world's poor countries, and particularly among Arab nationalists. It stood for economic retaliation and the righting of longstanding grievances. The break in the OPEC structure is a severe blow to pride as well as to financial balances among the exporters. It will inevitably exacerbate the hostility between the anti-Western radicals of the Organization of Petroleum Exporting Countries, led by Iran and Libya, and the conservative Arab states of the Gulf such as Saudi Arabia.

It was the Saudis who, nearly two years ago, forced the radicals to reduce their ambitions and accept an OPEC price of \$29 a barrel. That, the Saudis argued, would balance the world's supply and demand, and everyone in OPEC would get richer. It has not worked out that way, chiefly because the world is getting along with much less of that expensive oil than seemed likely even in 1983. The Saudis have cut their production repeatedly in a dogged attempt to defend the \$29 price.

But the OPEC meeting that ended Wednesday was a confession of failure. In effect, OPEC is leaving the price to the market, and

the cartel has, at least for now, collapsed.

Some of the poor countries among the exporters—Nigeria is the most important—are already running deeply into debt. OPEC as a whole ran an international deficit on current accounts of about \$18 billion last year, according to a recent analysis published several weeks ago by Graham Bishop and Paul Mottok of Salomon Brothers, the investment banking firm. The OPEC countries have learned to spend their oil money faster than seemed possible a decade ago. Curbing their present imports cannot be done without great strain.

In the Gulf region, any great reduction in income jeopardizes the whole system of subsidies by which the Gulf Arabs assist various friends and clients—for example, Iraq in its endless war with Iran. Internally, the Saudis have used steadily increasing income to help keep the peace among the various factions of the ruling family. Whether matters will remain quite so peaceful in a time of declining income is yet to be seen.

For the rest of the world—the importers of oil, rich countries and poor alike—the fall in oil prices can mean nothing but good. It means faster growth, more jobs and higher standards of living—oil prices remain lower. But this is also a time for caution. It should be kept in mind that the two great oil crises of the 1970s began, respectively, with a war in the Middle East and a revolution.

—THE WASHINGTON POST.

## Iran and the Hijackers

It has been nearly two months since the revolutionary Islamic government of Iran collared a band of terrorists who had hijacked a Kuwaiti airliner and flown it to Tehran, murdering two American officials of the Agency for International Development and torturing other passengers in the process. In the Gulf as elsewhere, there was a sharp outcry at the spectacle of Iran's seemingly cozy treatment of the killers. In response, Iran, while refusing to extradite the four Arab-speaking terrorists, had its public prosecutor promise to try them in an Islamic court. But nothing has since been heard from Iran about a trial. Without information to the contrary, the presumption must be that Iran is going back on its word.

Should anyone be surprised? The current regime in Tehran is, after all, a confirmed and defiant violator of the rights that most governments at least tip their hat to. It could be called a world "leader" in this regard. Recently it achieved the distinction of becoming the first government to renounce the Universal Declaration of Human Rights. It continues to conduct a savage repression, including repeated

instances of murder, against its pitiful Bahai minority. No change is evident in its policy of aiding and sponsoring the terrorist groups that have wreaked havoc in the Middle East in recent years. One of those groups claims to hold five Americans hostage in Lebanon.

No realistic observer will expect very much from Ayatollah Ruhollah Khomeini's Iran when it comes to making good its word. Still, his regime did promise to try the hijackers. Presumably it did so because, being bogged down in its war against Iraq and in some of its domestic enterprises, it thought it could gain something of value by accommodating its irate Gulf neighbors in this regard. In some quarters, its promise was tentatively taken as a sign that the balance of internal forces, as between the extremists and those more inclined to settle Iran down, might be tipping the right way.

Iran's failure to carry out its promise on the hijackers' trial is a boost for terrorism and a display of contempt for its neighbors. It means that Iran is still playing the outlaw and still deserving to be treated as one.

—THE WASHINGTON POST.

## Other Opinion

### Talking, Not Negotiating

The United States and the Soviet Union are planning to confer on the Middle East, but President Reagan's national security adviser says they will only be talking, not negotiating. The main aim of the get-together, according to Robert C. McFarlane, is to allow the two countries to exchange views and define their interests and concerns in the region.

There is a lot to be said for talks that, free from the propaganda of the public arena, could help clarify national aims and lessen the chances of possibly dangerous miscalculations. By all means let Washington and Moscow exchange views about the Middle East, so long as it is understood that these discussions are no substitute for the real thing. If Israel and its Arab neighbors make peace, it will only be after they have negotiated directly the terms of the agreement. There may be of course a facilitating role for others to play, as there was in the case of the Egypt-Israel peace. But the will to act and the decisions to be made can originate only with the Middle East.

—The Los Angeles Times.

### The Pope and Liberation

The pope is on tour again. On the very first day of his trip, John Paul II talked with the Venezuelan president about the political situation in Central and South America and with the Venezuelan bishops about the role of liberation theology, which according to Rome, mutilates the gospel and is at the service of ideologies and political strategies bent upon a deceptive, earthly freedom.

With his performance, the pope is showing once more that his pastoral care has an outspoken political nature. More remarkable was his announcement at the end of last week that an

extraordinary general bishops synod will be convened in Rome at the end of this year. There, the bishops will have to consider which statements of the second Vatican Council to review or modify in the light of new demands.

It is not immediately clear what demands the pope has in mind. But one can assume that with his belief that the "new theology" in the Third World and in Western Europe has become too progressive and less aimed at eternity, he will want to tighten the reins.

If the next synod should lead to the bishops ensuring that Catholics permit themselves less liberty and are more obedient than at present to the Church's authority, one can expect that the exodus from the Church will assume even more massive proportions than was the case after the second Vatican Council.

—NRC Handelsblad (Rotterdam).

### Reagan's Justified Caution

President Reagan's words of caution about the future of the Geneva talks are both timely and realistic. He sees a long haul ahead with the talks possibly taking longer to complete than the four years of the second term, and even then he went out of his way to stress he is more optimistic about an agreement on reducing the two superpowers' nuclear arsenals than some of those he is sending to Geneva. Mr. Reagan has struck exactly the right note in assessing the prospects of an arms agreement with the Kremlin.

Nothing that has come from Moscow since the Gromyko-Shultz meeting established the infrastructure for talks on nuclear arms suggests that the Soviet team is eager to get to Geneva in March (to take up where it left off two years ago) and wrap up a neat and quick agreement in any of the areas.

—The Daily Telegraph (London).

## FROM OUR FEB. 1 PAGES, 75 AND 50 YEARS AGO

### 1910: American Factories in Russia

BERLIN — Mr. Philip Sydney, of the Singer Manufacturing Company, has arrived from Moscow, where he had gone to inspect a [company] factory. He also made an inspection in the interest of the United States Harvester Company of a factory that company had just purchased from the Air Brake Company near Moscow for 1,500,000 roubles. The Harvester Company resolved to acquire the factory and fit it up with the latest American machinery. The factory, one of the largest in Russia, is twenty miles southwest of Moscow. Mr. Burr A. Kennedy has arrived in Moscow to fit up the plant for the Harvester Company. He is an expert in machinery and will have under him a number of skilled American workmen from the company's plants in the United States.

### 1935: BBC Gets Its First TV License

LONDON — The British Broadcasting Corporation will be granted the exclusive license to establish and operate an ultra-short wave television program, and the first television station, which will be in London, will be established in the latter part of this year, Sir Kingsley Wood announced in the House of Commons [on Jan. 31]. The television program, he said, would be supplied to the public without payment beyond the present wireless receiver license tax of £2.50 a year. An official committee, appointed to consider the development of television, reported that probably half the population could be served by ten ultra-short wave stations in suitable locations, and recommended the establishment of additional stations until a national network was built up.

## Africa Divided: The Legacies of Berlin

By Glenn Frankel

HARARE, Zimbabwe — Africa is quietly marking an important centennial, but it is not an occasion for trumpets and speeches. It has been 100 years since the Berlin Conference, that extraordinary conclave of European diplomats, divided Africa into spheres of influence and ushered in an era of colonial rule whose effects are still seen across the continent.

At a time when famine is again on the front page and the West is viewing Africa and its daunting problems with a mixture of sympathy, horror and disdain, it is instructive to recall those years when Europe carved up Africa like a Christmas turkey, each participant fighting for his favorite piece. Many problems that haunt Africa today have their origins at that diplomatic table.

The conference was a breathing spell in what became known as the "scramble for Africa." After nibbling at the edges of the continent for centuries, the Europeans had begun a rush into the interior in the 1870s. Armed with superior weapons, Bibles and makeshift treaties, imperial agents laid claim to more than 25 million square kilometers (10 million square miles) of territory and 100 million people within a decade.

It was a haphazard, chaotic process that threatened several times to plunge the European powers into war. Bismarck, who abhorred disorder and wanted to ensure Germany a piece of the spoils, decided it was time to lay down some ground rules. His French and British counterparts, his main competitors in Africa, agreed.

Fourteen nations attended the three-month session. Conspicuous by their absence were those who had the most at stake—the Africans. But there was little hypocrisy: No one pretended that the lines were drawn for any interests other than those of the countries at the table.

"The Europeans came and assumed command of African history," wrote the British historian Basil Davidson. "The solutions they found were solutions for themselves, not for Africans."

The Africa of a century ago consisted of sever-

al hundred independent states, some large, powerful and relatively advanced, others smaller, weaker and primitive. When the Europeans finished drawing their lines, these states had been condensed into about 40 pieces of territory.

It was not an easy or neat process. Ethnic groups were cleaved into fragments—the Ovambo were split in half by the boundary dividing Portuguese Angola from German South-West Africa. Others were combined with disparate neighbors: The Iboes and Yorubas of the West African coast were thrown together with the Moslem Hausas and Fulanis of the north into a country that became British-ruled Nigeria, where tribal rivalries helped set off the Biafra war and still cause problems.

The Germans were given title to what became Tanganyika not because they had claimed it but because the British thought it best to placate Bismarck. Similarly, Portugal was given reign over territory 22 times larger than itself mostly because Lisbon's British allies used the Portuguese as a tool to deny African land to their principal competitors in Paris. Belgium's King Leopold won the grand prize: the mineral-rich lease to what became the Belgian Congo.

At first, Africans paid little attention to the new lines, which seemed to have everything to do with European rivalries and little to do with them. But gradually the lines on the paper map became real borders, not only to the Europeans but to the Africans themselves. Africa's acquiescence became part of its general acceptance of the standards, mores and ideas of the Europeans who sought to rule it.

One of the great issues for African intellectuals during the independence movement that followed World War II was whether to accept those borders, draw new ones or have none at all. The movement for a United States of Africa had

strong intellectual and emotional force behind it.

That idealism was undermined and ultimately overruled by the stronger reality of power politics and the ambitions of those who inherited governments from the Europeans. In the end, the Organization of African Unity, designed to bring Africans together, became a tragicomic monument to their enduring separation.

But borders alone do not make nations, and this has been one of the cruellest lessons recent history has taught Africa. In countries such as Angola, Uganda, Burundi, Nigeria and even South Africa, the concept of nationhood is at best only marginally understood. Most of these countries lack a George Washington—someone from the political or cultural past who provides the glue to hold diverse groups together.

Lacking that glue, Africa has become atomized into smaller, conflicting groups. People identify by tribe, ideology, profession, religion or economic class, seldom by nation.

Thus, in the 27 years since Ghana became the first colonial state to gain independence, Africa has had a dozen wars, 70 military coups and the assassination of 13 heads of state. It has 5 million refugees, part of the heritage of maladjusted borders and nations that exist mostly on paper.

In analyzing Africa's woes, Africans themselves tend to blame European colonialism. Westerners, for their part, tend to treat the continent as a blank slate whose real history only began at independence and whose problems can be laid at the feet of corrupt African leaders and misplaced priorities.

Both are right, and both are wrong, but the

Westerners who for three decades have been so free with their advice and criticism of the new Africa should not forget that it was their ancestors who designed and launched the continent's modern history 100 years ago in Berlin.

The writer reports on African affairs for The Washington Post.

## Sorting Out 'Star Wars' Arguments

By Flora Lewis

PARIS — The "star wars" argument is burgeoning. It is being conducted on so many levels, inherently contradictory, that the heat obscures light. They need to be sorted out and judged separately.

The issue of offense and defense regarding strategic missiles is certainly a valid subject for debate. It is not new. In the past, proposals for defense were generally dismissed because they did not seem viable. Strategists felt obliged to rely on the threat of retaliation to prevent war.

Now technological advance revives the debate in new terms. Offensive missiles are enormously more accurate, increasing the danger that a first, pre-emptive strike can overwhelm the ability to retaliate. That is the so-called window of vulnerability, which either never existed or is still open; it has not been closed by weaponry, only by rhetoric.

On the level of strategic analysis, the proponents of defense now argue that the "window" can be closed with new weapons in space and on land to destroy attacking missiles. They do not claim, as President Reagan has said, that this would remove the nuclear menace. They only claim that it would make the threat of retaliation with offensive missiles, deterrence, more credible.

Opponents argue that it would accelerate the arms race, on Earth as well as in space, and increase the danger of pre-emptive war. They say attempted defense, which could protect only some missiles and not cities, would stimulate additions to already absurd offensive arsenals. No reductions would be likely. And defense is enormously more costly.

On the level of technology, proponents admit that the defensive ideas are far out. But they say: Let us start; we can protect at least some missiles, and you never know what scientists can do if you give them enough money. Opponents admit that it is prudent to continue modest research, but they say the prospects are not good enough to risk a crash effort, which could provoke war in the meantime.

The scientific debate is useful, but it is misleading to mix it up with strategy, diplomacy, politics and emotion.

On the level of diplomacy, proponents say Mr. Reagan's Strategic Defense Initiative is what brought Moscow to negotiate, so it has already proved its value. Opponents say this is not necessarily so. We do not really know Moscow's reasons. Soviet no-talk, war-scare policy was counterproductive and there has been a change of leadership. Besides, "star wars" is either a bargaining chip to be negotiated away or a real asset to pursue. It cannot be both.

An article (HTT, Jan. 28) by Zbigniew Brzezinski, Robert Jastrow and Max Kampelman urging strategic defense claims that it is both. Presumably that is a compromise among the authors — another example of contradictory mix in the arguments.

On the level of politics, which comes closer to the heart of the current debate, proponents argue that arms control is too difficult and too unreliable to seek an active defense. They seldom explain their underlying reasons, which are too ugly to publicize.

One school holds that war is inevitable and that America must prepare to "prevail." Norman Podhoretz (HTT, Jan. 25) veils this reasoning with analogies to the 1930s appeasement of Germany and Japan. Another

## Chun Has Yet to Keep His Promises

By Nina Shea

NEW YORK — After seizing power in 1980, President Chun Doo Hwan of South Korea announced plans to restore democracy and human rights. He pledged to uphold the nation's constitution by stepping down and holding elections in 1988. In 1984, he freed some political prisoners, lifted some political bans and reinstated some demonstrators expelled from college. Later, Mr. Chun talks as if South Korea were well on the road to democracy. It is not.

Mr. Chun's gestures, although welcome, have not altered the regime's basic authoritarianism. The repressive apparatus that is a legacy of his coup is intact, and he remains intolerant of pluralistic institutions that underlie true democracy.

In South Korea, key members of the Reagan administration have praised Mr. Chun's democratization plans. But America's quiet diplomatic efforts have failed to produce pluralistic institutions. If democratization is a serious goal, the second Reagan administration must press publicly for tougher, more specific measures to ensure that Mr. Chun keeps his promises.

Though a balance of power is crucial for democracy, South Korea's government remains centralized in Mr. Chun. He limits the National Assembly, the only directly elected body, to airing opinions rather than generating legislation. Though democracy requires political competition, Seoul curtails political activity. The 15 principal opposition leaders remain barred from politics and are targets of government harassment. One, Kim

tactics suppress strikes, collective action and independent unions' ability to organize workers. Domestic rights groups that protest too loudly are intimidated. Last September, thugs linked to the police abducted and beat the Reverend Park Hyung Kyu, past director of the Korean Presbyterian Church and now head of a human rights committee. Student demonstrators, a significant dissenting bloc, are routinely arrested and roughed up.

What pressure can Washington apply? New legislation suggests that duty-free treatment of imports under the Generalized System of Preferences be withheld from countries that violate workers' rights. Since the United States is South Korea's largest trading partner and Seoul Korea benefits greatly from such preferences, denying imports duty-free status would be a significant incentive for reform.

While any move must consider South Korea's security concerns—mainly over North Korea—Washington should appreciate that South Koreans enjoyed greater freedom during the Korean War, when danger was greater. Today in South Korea there is no domestic armed guerrilla movement and little sympathy for communism. On the contrary, the opposition, including a growing middle class, is committed to democracy. It is in the interests of both America and South Korea to ensure that democracy develops.

The writer is program director of the International League for Human Rights. She contributed this comment to The New York Times.

## In France, Reasons for Skepticism

By Dominique Moïsi

PARIS — The French government greeted the Gromyko-Shultz meeting in Geneva with apprehensive satisfaction. Having advocated an end to the frigid relations between the superpowers, France could only support the resumption of dialogue.

But the French fear that their capacity to maintain a credible nuclear force will be limited if French forces are included in the negotiations on strategic weapons. Such an inclusion, as requested earlier by the Soviet side and again in Geneva by Mr. Gromyko, is viewed in Paris as part of a Soviet maneuver to create discord in the Atlantic alliance.

The French also fear that Mr. Reagan's Strategic Defense Initiative, or "star wars" system, will make the world less safe, not more so.

In French eyes, the SDI raises the specter of a neo-isolationist "Fortress America" willing — and motivated by economic factors — to decouple its security from that of Europe.

For the French, the idea that weapons in space can successfully fight a war above man's head is seen as a reflection of the inherent optimism of the American character. Such a vision can only clash with the more cynical and tragic view of the world that Europeans have learned.

The French see a common inspiration in SDI and in the greater reliance on sophisticated new conventional arms. Both stem from a desire to transcend a nuclear world. Such an attempt may threaten the security of the West by reducing nuclear deterrence, and may reduce France's international status. At tremendous cost, France has built an independent nuclear force. If nuclear weapons are discarded as irrelevant, France's efforts will have been in vain.

"Star wars" may have a destabilizing impact by contributing to the breakdown of the Anti-Ballistic Missile treaty. And SDI research may render the technological race so costly as to leave the Europeans far behind in their attempts to build a competitive arms procurement industry.

It is difficult for the Europeans to criticize "star wars," for without it, the Soviet Union probably would not have returned so quickly to the bargaining table.

But once negotiations begin, the existence of SDI makes agreements on strategic and intermediate nuclear weapons more difficult to achieve. Since the early 1950s, the international system and European security have been based on the frightening, but ultimately comfortable, logic of the balance of nuclear terror.

The French (conservatives by necessity, in spite of their attachment to arms control) view with growing discomfort America's increased aloofness toward the nuclear sword.

The writer, associate director of the Institut Français des Relations Internationales, contributed this comment to The International Herald Tribune.

## Rethinking Militancy In Brazil

By Jonathan Power

LONDON — The public furor over liberation theology has momentarily died down, but the inner tension is just beginning to build up. The catalyst this time is not the heavy hand of papal disapproval and a Vatican enquiry, but the return of democracy to Brazil with the election of Brazil's first civilian president in 20 years on Jan. 15. The liberation theologians, no longer up against the easy target of a brutal military regime, must decide where to go next.

Liberation theology has been bursting out all over—in the Philippines, in South Africa, in Nicaragua, wherever there are large numbers of Catholics and immense political and social problems. But the wellspring is Brazil, where the theology has been nurtured and has spread out from the activist clergy to bishops on one side and to congregations on the other. What Catholic thinkers decide to do in Brazil will echo to a large audience.

Democracy is a concept the Brazilian theologians have never had to deal with—evolution not confrontation, a means not an end, a route full of compromises without any promise of the ideal state will be realized. The liberation theologians who have known only dictatorship and dwell on its antithesis, revolution, will find it very difficult to adapt their ideals to the imperfect state of slow political compromise by vote, especially given the magnitude of Brazil's problems.

The Brazilian liberation philosophers, until now, have had a role model in Luis Ignacio da Silva ("Lula"), the union leader who rose to prominence at the time of the metalworkers' strike in 1978 in the auto factories that ring São Paulo. He was the first working-class leader to become a nationally prominent, helped by the decision of the military regime to strip him of his union offices and put him in prison. His prominence was also boosted by the personal interest in his welfare of visiting heads of government, who recognized that the future of their investments in Brazil depended on the working class.

The archbishop of São Paulo, Cardinal Paulo Evaristo Arns, once told me that Lula held the political ideas that were closest to his own. And certainly if the Church had formally supported a political party in the general elections, it would have cast its vote for Lula's Workers' Party.

This unabashed admiration of Lula made a certain amount of sense when it was still uncertain if the generals were going to allow a return to fully fledged democracy. Lula stood for the rights of the poor and the weak against the oppressive machinery of a heavy-handed state. Now it is much more complicated. The democrats are in power — not the Workers' Party, but opposition parties that long were opposed to all that the military stood for. Moreover, Lula is taking a dogmatic line, resisting the proposals of the new president, Tancredino Neves, to follow the precedent of post-Franco Spain and have a period in which all the parties agree to refrain from disruptive action so as to guarantee a peaceful transition to democracy.

The choice for the Church no longer can be painted in the stark terms it was before. There are democratic choices and shades of left and right, all of which could make a reasonable claim on the Christian conscience. The Catholic Church in Brazil has evolved so fast that it is still finding its feet. Moreover, it is a part of a country that has torn itself up by its roots and transformed itself within a single generation from a primarily rural society to one that can export airplanes and computers.

The temptation for the Church will be to remain the total critic — to go on simply denouncing. The fact is that if the Church appeared to be succeeding in an anti-establishment campaign it would lead to enormous civil strife and assuredly bring back the generals, the imposition of martial law, the suppression of civil liberties and so on. What the Church has to learn to do in a democracy is to bend the forces of production to be more socially responsible, rather than undermine social forces.

Fortunately, liberation theology in Brazil owes its primary heritage not to Marxism, despite some of its rhetoric and sociological analysis, but to the writings of the French philosophers of the early 20th century, Jacques Maritain, Emmanuel Mounier, and the Dominican L.B. Leclerc, but they were highly critical of Marxism and one cannot imagine they would have had much time for the extremes of present-day liberation theology with its unequivocal condemnation of foreign investment, multinational banks as if they were the root of evil than man's own nature.

The liberation theologians are going to have to do a big rethink. In a democracy being the Church militant does not mean being the Church red.

International Herald Tribune.

## LETTER

### The Purpose of V-E Day

V-E Day is not meant to be a celebration nor an exercise in nostalgia. After World War I, the Allies "celebrated" Armistice Day every Nov. 11. It was a time to pay homage to dead soldiers and sailors. Present and future generations of all countries should not be allowed to forget the tremendous suffering loss of lives and unbelievable destruction caused by the Axis leaders of World War II. The Soviet Union lost more than 20 million people in the last war and had a major role in defeating Nazi Germany. Regardless of present-day foreign exchange, Russia's heroic struggle deserves recognition too and should not be subject to our "historical distortions."

EDWARD E. DORSON, Gilleje, Denmark.

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# New Wealth From Foreign Jobs Transforms Egyptian Village Life, Class Structure

By David B. Ottaway

Washington Post Service

DAHSHOUR, Egypt — Samir Mohammed, a 30-year-old peasant in this prospering Nile-River village 25 miles (40 kilometers) south of Cairo, is restless again.

In 1980, he went to Libya, worked on a farm for three years and brought back enough money to double his half-acre (two-tenths of a hectare) plot, build a modest mud-brick house, get married and buy a car and a television set.

Now his savings are exhausted and he wants to go abroad again, to Saudi Arabia if possible, because, as he says, "I got used to having a lot of money and my land doesn't earn me that much."

Mr. Mohammed, in his new-found wealth, opportunities and aspirations, is a typical example of the two million to three million Egyptians working abroad. They are sending back to their villages an estimated \$6 billion to \$10 billion annually.

The billions of dollars flowing from Egyptian workers in the Arab world directly to their families is radically transforming life in Egypt's villages. It has put the so-

## Mubarak's Egypt:

### Seeking the Middle Path

Third of four articles.

cial structure of this highly class-conscious nation in turmoil.

"A silent revolution," as a sociologist, Saad Iddin Ibrahim, calls it, is taking place.

Some Egyptian and U.S. analysts see this revolution as part of the late President Anwar Sadat's "open-door policy," declared in 1974. That policy not only encouraged free enterprise and foreign investment but opened the door to mass Egyptian migration for the first time since the 1952 revolution.

Sadat's policy coincided with the start of a decade of vast oil wealth

in the Arab world that set off a boom in the sparsely populated Arab countries of the Gulf and a tremendous demand for labor, particularly in Saudi Arabia and Iraq. In Iraq alone, there are more than a million Egyptians, many settling down to stay.

Other economists see this revolution as a by-product of the peace process that got under way in earnest in November 1977 with Sadat's historic trip to Jerusalem. This, they contend, allowed the government to release the work force from the war effort to go abroad and reap "a personal peace dividend."

The sweeping social change that has hit Egypt in the past decade has had a profound effect in the cities as well as in the villages.

In Cairo, the old social and intellectual elite seems totally disoriented in today's fast-changing economic landscape where even an Egyptian housemaid has become too costly to afford.

An illiterate maid can easily earn twice the starting salary of a university graduate or teacher. Many wives working as secretaries in private firms bring home bigger paychecks than their husbands employed by the government.

Mohammed Heikal, an Egyptian writer and political commentator, discussed the upheaval at his own plush, wood-paneled apartment overlooking the Nile in Giza.

"The whole social and intellectual map is changing," he said. "What is needed is a social survey of Egypt. The layers have changed and are changing. It's the effect of education — 9.5 million in our schools and universities — and \$6 billion from the Arab world."

It is in the villages that the deepest changes seem to be taking place. In the past decade, the standard farm wage has soared from a half-pound (about \$6.3 at current rates) for a dawn-to-dusk workday to 5 pounds for an eight-hour day complete with a meal, cigarettes and tea breaks.

Tenant farmers have suddenly become landowners; illiterate peasants, or their sons, have become plumbers, carpenters and masons, earning \$9 to \$12 a day. This is four or five times the wages of the village teacher or civil servant.

From landless peasants to doctors, engineers and teachers, those going abroad are piling up savings that can equal the wealth of the big old families who once ruled the villages like lords and pashas but can no longer afford the high wages to keep their estates going.

"The returning workers put a lot of economic pressure, but also political pressure, on the villages," said Abdul-Mohem Mashat, a Cairo University professor who is studying the effects of the migration. "They are going to compete with the old, established order."

Mr. Mashat, a specialist in national security affairs, said that those returning may pose a danger not only to the dominant old fam-

ilies in the villages but to the central government as well.

They are coming home, he said, with "religion and new wealth." These two factors make for far greater political activism and thus raise the potential for violence and social struggle.

"When those people came back, they will pressure the government to allow them to participate in politics. Unless the government adjusts to these demands, they will go into the opposition," he predicted.

So far, he does not see the ruling National Democratic Party making those adjustments. He cites an article in the local press in December that criticized it for having "no ties to the streets or the villages."

Mr. Mashat predicts the opposition New Wafd Party will be the main beneficiary of this migration and give it a "big push" in elections expected in 1989. The party won 37 of the 448 seats in legislative elections last May.

Since the old families are all part of the ruling party, the struggle of the "new rich" to displace them in the village social hierarchy will inevitably pit them against the official party, Mr. Mashat said.

It is clear from even a brief visit to Dahshour and talks with residents that much has changed in this booming village of 13,000.

At least 1,000 of its inhabitants have gone abroad already, and every day 15 more apply to the village council for passports, according to Nabil Abdulrazik Bayoum, a council member.

The story of the new wealth from this mass migration can be told and seen in dozens of ways.

"Fifteen years ago, if you had come here in a car, you would have been mobbed," Mr. Bayoum said. "Today, there are 50 to 60 cars and trucks in the village and nobody notices."

Houses are no longer built with mud but with red-clay brick. One can tell immediately from the size and fancy designs on their facades which family has sent a son or fa-

ther abroad and which has not yet.

One sign of the new wealth, according to Mr. Bayoum, is the cost of land. A decade ago, an acre cost about 1,000 pounds, about \$1,300 at the current official exchange rate. Today, a plot called a girat, 175 square yards (146 square meters) or about 127th of an acre, costs seven to eight times that amount.

Land has become so costly and fragmented into plots that the consolidation of plots into larger tracts to allow for mechanization of agriculture has become very difficult. A big business today is selling off these tiny plots for construction of buildings, a main factor in Egypt's loss of 1 million acres of agricultural land in the past 12 years.

The usual pattern of family life in the Egyptian village is for one member to go abroad and stay however long it takes to save enough money to set up a business.

"It's the people who don't have enough money to start life here who go abroad and stay two or four years," explained Abdul-Mohem Ebeid, an agricultural extension agent for the village. "First, they want a house and land. Then they buy a small shop, a car or truck or something to make money."

Mr. Ebeid himself is a good example. His cousin went to Libya and with the \$24,000 he saved up, they built a two-story building on the family's quarter-acre plot to raise chickens.

Mr. Ebeid, 25, who learned iron-welding at a vocational school, said they could have bought more land with the same capital but "the profits are better because everyone needs chickens and eggs." There are now eight such poultry projects around Dahshour.

Mr. Ebeid, who has a fiancée, has set his eyes on adding a third floor to the chicken building and then putting up a house before he gets married.

Mr. Bayoum, 30, is even more ambitious. He has a degree in agricultural engineering from Cairo University but is now working for a master's degree in literature so he can get a better job teaching in Saudi Arabia, or elsewhere in the Gulf. He plans to stay abroad for five years.

A teacher with a master's degree can save up to \$12,000 a year in Saudi Arabia, he said. In Dahshour, a teacher earns only about \$600 to \$720 a year.

Teachers earn so little in Egypt that Dahshour is in full crisis because "they have all gone abroad," according to Mr. Bayoum.

Tomorrow: Egypt remains adrift in the Arab world.



Makeshift dwellings crowd streets outside the Union Carbide plant in Bhopal.

## Apportioning the Blame for Bhopal

### Disaster Reveals Flaws in Regulation of Industry in India

(Continued from Page 1)

health and safety said the factory inspectors' job was limited to looking after safety devices to protect workers.

U.K. Tiwari, chairman of the pollution-control board, said his agency did not have responsibility because methyl isocyanate, called MIC, was not a normal emission of the factory and therefore was not monitored.

The top official in the Madhya Pradesh government is Arjun Singh, who has been chief minister since 1980. That is when Union Carbide started manufacturing MIC, which is used to make all the pesticides produced at the factory.

Mr. Singh himself was affected by the gas at his home. Interviewed there, he said that the burden rested with the company to inform local authorities about potential hazards.

So far, Mr. Singh's government has brought criminal charges against several officials of Union Carbide, including Warren M. Anderson, chairman of the Union Carbide Corp. of Danbury, Connecticut, and Keshub Mahindra and V.P. Gokhale, chairman and managing director, respectively, of Union Carbide India Ltd. The Union Carbide Corp. owns 50.9 percent of Union Carbide India, which owns the Bhopal plant.

In addition, charges have been brought against Jagannathan Mukund, the factory manager, and S.P. Choudhary, the assistant factory manager. All have been released on bail.

Mr. Singh has also accepted the resignation of his labor minister, Sunder Pandey, and dismissed the chief inspector of factories, C.P. Tyagi, who Mr. Singh said had renewed the factory's license annually without acting on reports of safety lapses from the labor department.

Not even Dr. M.N. Nagn, director of public health for the state, knew anything about the poison gas that was to leave thousands of Bhopal residents, including himself, choking, gasping for breath and half-blinded.

Nor did Bhopal's part-time mayor, Dr. R.K. Bisarya, also a physician, know much about MIC. Neither did Ramjit Singh, the chief administrative officer of the Bhopal district and the man chiefly responsible for contingency plans in case of disasters. There was none in case of a leak from Carbide.

The police superintendent, Swarni Prasad, said he first learned of MIC with his eyes and lungs burning at about 3:30 A.M. on Dec. 3, when he was informed of it by K.V. Shetty, the plant superintendent for the shift.

"We made him spell it," Mr. Prasad said.

These officials said nobody at the company suggested a simple antidote of covering the face with a wet cloth. Had that been known in advance, they said, many lives might have been saved.

The seeds of the accident were planted in 1972, when, under government pressure to reduce imports and loss of foreign exchange, the company proposed to manufacture and store MIC at the plant.

What the company told the central and state governments about the potential hazards of this process is unclear, since all records have been impounded by an official inquiry.

The New Delhi government's Ministry of Industry granted the MIC license on Oct. 31, 1975, two months after the issuance of the Bhopal development plan on Aug. 25, 1975. That plan, which had the force of law, required that "obnoxious industries" including manufacture of pesticides and insecticides, be relocated to an industrial zone 15 miles (24 kilometers) away.

The plan was not followed. The factory stayed, and soon slum dwellings and even middle-income housing were being built nearby.

If the nontechnical political and civil authorities in Bhopal were unaware of the latent danger in their midst, why did the technical and industrial agencies involved in licensing and monitoring the plant also suspect nothing?

And why was so little action taken after several signs, including a fatal accident in 1981, showed that all was not well at the plant?

Industrial licenses are issued by the Ministry of Industry after consultation with several other agencies, such as in this case the Ministry of Chemicals and Fertilizers, the directorate-general of technical development, the Ministry of Agriculture and its Central Pesticides Board, as well as the Madhya Pradesh state government.

Just what Union Carbide disclosed about the hazards of MIC production when it applied a dozen years ago is unclear. The application predated India's air and water pollution laws. Also unclear is how much scrutiny the central government gave the application.

"This is a big weakness in the process," said a former official of the Department of Industry. "The depth of scrutiny is so shallow and so superficial, I would not be at all surprised if they did not realize what it was about, and just said it would generate employment in Madhya Pradesh."

An official of the Madhya Pradesh department of industries said there were some in the department who objected to the plant location. But, he added, they were overruled by nontechnical people and the plant applications were recommended to the central government.

"It is not Carbide's fault," he said. "We did not tell them what to

do. They never refused to install what we asked. They were never advised what was needed."

Once licensed by the central government, the Carbide factory was theoretically monitored by the state government under four main national laws: the Factories Act of 1948, the Insecticides Act of 1968, the Water Act of 1974 and the Air Act of 1982.

Thus far, the Madhya Pradesh government has placed the burden of blame on its labor department, which enforces the Factories Act, aimed mainly at providing safe working conditions at the plant, rather than protecting the general public.

The dismissal of the chief factory inspector, Mr. Tyagi, has incensed the inspectors' office at Indore, 120 miles southwest of Bhopal.

Mr. Tyagi declined to comment, but another member of the inspectors' office described the conditions under which factory inspectors must operate in Madhya Pradesh with the proviso that he not be identified.

Each inspector, he said, has responsibility for more than 150 factories, triple the standard recommended by the International Labor Organization.

Each is given a quota of 400 inspections a year, to be done in only 200 or so working days. Moreover, he added, they are expected to travel about this large state by public transportation.

Requests for better support from the state government have gone unheeded, the staff member said. They have no hygiene laboratory and few instruments.

"We don't even have instruments to collect samples," he said. "All we can say is there is dust and you stop it. It is very difficult to prove in a court of law because we don't know what the normal level is."

Moreover, the official said, inspectors have little authority to order that unsafe conditions be remedied, apart from going to court. That process often takes years and then the fines are minimal.

As for Union Carbide, he said that by comparison to the safety violations committed by other plants in the state, Carbide was considered almost a model citizen. It had only one fatal accident in recent years, while one steel plant had 25 in one year and deaths were common in other plants, he said.

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18.30	MORRIS & MINOY
19.25	STARBUCK & HUTCH
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NYSE Most Actives				
Vol.	High	Low	Last	Chg.
AT&T	24,000	24 1/8	24 1/8	+ 1/8
Unilever	1,000	10 1/4	10 1/4	+ 1/4
Boeing	1,000	10 1/4	10 1/4	+ 1/4
IBM	1,000	10 1/4	10 1/4	+ 1/4
General Electric	1,000	10 1/4	10 1/4	+ 1/4
Johnson & Johnson	1,000	10 1/4	10 1/4	+ 1/4
Merck	1,000	10 1/4	10 1/4	+ 1/4
Amgen	1,000	10 1/4	10 1/4	+ 1/4
Novartis	1,000	10 1/4	10 1/4	+ 1/4
Roche	1,000	10 1/4	10 1/4	+ 1/4

Dow Jones Averages				
Open	High	Low	Last	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

NYSE Index				
High	Low	Close	Chg.	Prev.
10,230.24	10,230.24	10,230.24	+ 0.16	10,230.08
10,230.24	10,230.24	10,230.24	+ 0.16	10,230.08
10,230.24	10,230.24	10,230.24	+ 0.16	10,230.08
10,230.24	10,230.24	10,230.24	+ 0.16	10,230.08

NYSE Closing				
Vol.	High	Low	Last	Chg.
13,070,000	13,070,000	13,070,000	13,070,000	+ 1.11
13,070,000	13,070,000	13,070,000	13,070,000	+ 1.11
13,070,000	13,070,000	13,070,000	13,070,000	+ 1.11
13,070,000	13,070,000	13,070,000	13,070,000	+ 1.11

AMEX Diaries				
Class	Prev.	Chg.	Vol.	Chg.
Advanced	240	+ 10	1,000	+ 10
Unchanged	240	+ 10	1,000	+ 10
Declined	240	+ 10	1,000	+ 10
New High	240	+ 10	1,000	+ 10
New Low	240	+ 10	1,000	+ 10

NASDAQ Index				
Close	Chg.	Prev.	Vol.	Chg.
2,264.24	+ 1.11	2,264.24	1,000	+ 1.11
2,264.24	+ 1.11	2,264.24	1,000	+ 1.11
2,264.24	+ 1.11	2,264.24	1,000	+ 1.11
2,264.24	+ 1.11	2,264.24	1,000	+ 1.11

AMEX Most Actives				
Vol.	High	Low	Last	Chg.
1,000	10 1/4	10 1/4	10 1/4	+ 1/4
1,000	10 1/4	10 1/4	10 1/4	+ 1/4
1,000	10 1/4	10 1/4	10 1/4	+ 1/4
1,000	10 1/4	10 1/4	10 1/4	+ 1/4
1,000	10 1/4	10 1/4	10 1/4	+ 1/4

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

## NYSE Mixed in Active Trading

**United Press International**  
NEW YORK — After a day-long struggle against profit-taking, prices on the New York Stock Exchange finished mixed Thursday.

Oil issues firmed for the second day while technology stocks came under pressure. The Dow Jones industrial average fell 1.11 to 12,264.24. The Dow had been down nearly 10 points in late afternoon before recovering most of the loss. For the entire month of January, the blue-chip barometer gained 75.20.

Declining stocks exceeded advancing ones slightly. Volume totaled 132.5 million shares, down from 170 million shares traded Wednesday.

After the stock market closed, the Federal Reserve reported that the narrowest measure of the U.S. money supply, M-1, increased \$4.7 billion in the week ended Jan. 21.

"People are looking for the next group that's going to rally," said Jon Groveman of Ladenburg, Thalmann & Co. Inc., explaining the move in the oil stocks. He said former crude oil prices Thursday had convinced some investors that the oil companies' fortunes would take a turn for the better.

Mr. Groveman said the recent rally started when the yield difference "between stocks and short-term money rates got to such a point that stocks were irresistible."

He said the market looked "very strong" over the near term although it might have reached "a crescendo of optimism." He expects the stock market to fluctuate in a narrow range between 1,260 and 1,310 on the Dow for the next week or two. After that, he said, there could be some consolidation and then another big advance.

The mixed finish amounted to early signs of some sort of pause," said Charles Comer of

## M-1 Rises \$4.7 Billion

**The Associated Press**  
NEW YORK — The basic U.S. money supply rose \$4.7 billion in mid-January, the Federal Reserve Board reported Thursday.

The Fed said the M-1 aggregate rose to a seasonally adjusted \$561.6 billion in the week that ended Jan. 21, from a revised \$556.9 billion the previous week. M-1 includes cash in circulation, deposits in checking accounts and travelers' checks.

Oppenheimer & Co. However, he said he was looking for a "sideways pause" rather than a "major correction."

Mr. Comer said the force behind the market's rise in January has been a shift in perception rather than a drastic change in fundamentals. Concerns about a recession, he said, "are rapidly losing currency," while "equities suddenly look cheap" as interest rates fall.

Before the stock market opened, the Commerce Department reported the index of leading indicators dropped 0.2 percent in December, the fifth decline in seven months. The index is designed to forecast future economic trends.

The Commerce Department also reported that sales of new single-family homes increased 3.1 percent in December.

New factory orders in December fell 0.7 percent, according to another report.

On the trading floor, AT&T was the most active NYSE-listed issue, off 1/4 to 20 3/4. Unocal was second, jumping 1/4 to 4 1/4. The stock was a subject of takeover rumors that had T. Boone Pickens Jr. lining up financing for a bid.

The mixed finish amounted to early signs of some sort of pause," said Charles Comer of

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
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12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
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12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

## GOLD, LASSIES and 800% PROFITS

The price of gold has tarnished, abating the fantasies of gold bugs and their gurus, among them, the Aden Sisters — the lissome lassies who persistently purr in their investment service that gold will gladden to \$3400 an ounce; a prediction our analysts have ridiculed. The Aden Sisters are sisters under the skin to promoters of gold seminars, "currency experts" who make great gobs of paper money, debunking "paper." The distribution of gold from High Priestess of Finance to naive believers in the pews has been articulated by C.G.R., a distribution, a madness, that will join the ranks of the South Sea Bubble fiasco as evidence of man's culpability and greed. The insecticide of rationality has destroyed gold bugs; still, there is tomorrow. For once everyone is convinced that gold, a substance the Incas called "The Sweat of the Sun," cannot glitter again, it will. To convince the "Crowd" as to the efficacy of the law of contrary reason, is as difficult as sneezing sunrise past a rooster.

Months ago, our researchers mocked the "consensus" writers, "Look for one more sledge hammer blow before a sparkling rally occurs." The hammer has decimated thousands of dreamers. Money never moves out of gold or any other commodity, it merely changes pockets. Every analyst and airline attendant has names of gold shares that have been pulverized; few appear on "buy lists" for, as always, the "Street" is selling into weakness, violating every shred of fiscal common sense. As contrarians, we urge investors to stash away \$54,7, CAMPBELL RED LAKES \$16, HOMESTEAD \$21 and WESTERN DEEP LEVELS \$33, emulating the prospector of "Power Elites" and other perspective iconoclasts who are absorbing, at wholesale levels, the discards of the disenchanted. The scenario in gold is reminiscent of the malaise that infected the "Street" in 1982, when the Dow was mired below 800. At the depths of despair, our researchers mused "THE DOW WILL TOUCH 1,000 BEFORE HITTING 750"; a prophecy that was sustained.

And now? We believe the DJ will vault over 1500 and, as a corollary, gold will upswing. Our current letter delineates why the "barbarous relic" will regain its lustre; in addition, C.G.R. highlights a low-priced equity that could catapult to prominence, duplicating the success of a recently recommended "special situation" that spiraled 800% in less than a year.

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Past performance does not guarantee future results

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11

12 Month	High	Low	Stock	Div.	Yld.	PE	100-High	Low	Close	Chg.
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	12,264.24	+ 1.11
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Mahler's gestures as conductor, caricatured by Hans Schliessmann.

## Mahler and His World

by David Stevens

PARIS — Ordinarily, exhibitions devoted to musicians are of limited interest, circumscribed as they are by the necessity of making visual a world that is essentially aural. But Gustav Mahler is a notable exception, as is demonstrated by the compact but intensely rich show devoted to the composer at the Musée d'Art Moderne de la Ville de Paris.

The main reason for this is that the key period in Mahler's worldly and creative life was from 1897 to 1907, when he was director of the Vienna Court Opera (today's State Opera) and thus in the thick of the artistic life of a city that was then a turbulent capital of a turning point in all the arts. He also spent his summers composing symphonies that despite his preeminent position in the city were never heard first in Vienna.

Then there was the composer's music, frequently misunderstood and rejected by audiences of the time, yet prophetic in a way that

has led to extraordinary popularity today. But his music has never lacked for champions, whether Wilhelm Mengelberg, director of the Concertgebouw Orchestra of Amsterdam, in Mahler's lifetime and up to World War II; or Bruno Walter, Mahler's disciple and colleague, or Leonard Bernstein, whose programs with the New York Philharmonic in the 1950s had much to do with launching the wave of popularity for the composer's music that is still going strong.

Then, in his personal life, there was his marriage to Alma Schindler, a celebrated beauty 20 years his junior, the daughter of a prominent Viennese painter and step-daughter of another. She outlived him by more than half a century, married two other men of genius (Walter Gropius, the architect, and Franz Werfel, the writer) and had love affairs with others (notably the artist Oskar Kokoschka), although none ever really supplanted the importance of Mahler in her life or in her titillating memoirs.

Vienna at the turn of the century was not

only the focal point of much that was new in the arts and sciences, but it was a small world in which everybody who counted knew everybody else and there was an extraordinary interpenetration among the various disciplines. Thus, for instance, Sigmund Freud saw a kindred spirit in the playwright Arthur Schnitzler, while in 1910 Mahler, during a serious marital crisis, was "analyzed" by Freud during a four-hour walk when the two men were in the Dutch city of Leiden.

Take, for example, the architect Josef Hoffmann. He designed what was to be the first building of an artists' colony in the Hohe Warte district of Vienna. It became the home of Carl Moll, an artist prominent in the Secession movement and step-father of Alma. She lived here when she was courted by Mahler, and they later lived here together for a while. Furthermore, Moll did a number of paintings that are in the first place family scenes, and in the second place a fortuitous record of Hoffmann's pioneering example as

Continued on page 8

## A New Brother Act for the Movies

by Judy Klemesrud

NEW YORK — Before them came the Coen brothers, Joel and Ethan, 30 and 27 years old, Minneapolis natives living on the Upper West Side, whose first feature film, a Texas Gothic thriller called "Blood Simple," has been praised at film festivals in Dallas, Toronto and New York.

Joel, the director ("because I'm the oldest"), is a graduate of the New York University film school. Ethan, the producer, studied philosophy at Princeton. They wrote the script of "Blood Simple" together with minimal arguing, they say, because their tastes are so similar. They get along so well, in fact, that they plan to collaborate for the rest of their careers, because, as Ethan puts it, "Two heads are better than none."

"Blood Simple" has a complex plot involving adultery, murder and revenge. But it also includes humor, and some critics see it as a spoof of the so-called film noir style of the 1940s. It stars M. Emmet Walsh as a sleazy detective who is hired by a Texas bar owner (Dan Hedaya) who suspects his wife (Frances McDormand) is having an affair with one of his bartenders (John Getz). The story has almost as many twists, clues, cover-ups and misunderstandings as "The Maltese Falcon."

But the Coen brothers say they were not inspired by 1940s films as much as they were by the books of James M. Cain. Dashiell Hammett and Raymond Chandler. The film's title, in fact, came from one of Hammett's novels. "It's an expression he used in referring to what happens to a person once they commit murder," Ethan Coen said.

It was Cain's books, though, that the brothers say influenced them the most. "We both started reading his novels about five years ago," Joel said. "We especially liked

"The Postman Always Rings Twice," "Double Indemnity," "Mildred Pierce," and a relatively unknown one called "Career in C-Major." He wrote that one because he was a frustrated opera singer himself. We liked his hard-boiled style, and we wanted to write a James M. Cain story and put it in a modern context.

They said they started with the premise — murder story-thriller set in Texas — and worked from there. "We also wanted a double-cross," said Ethan, "because we liked the idea of somebody hiring a killer who faked it and then killed the guy who hired him."

"We hadn't seen that one before," Joel added. "We also wanted to avoid doing a cliché story of two lovers plotting to kill a husband or wife. We wanted to invert that a little bit."

And so they sat down in their Manhattan apartment, with Ethan at the typewriter, talking through the scenes together and then putting them on paper. They said they wrote the part of the sleazy detective with the veteran character actor Walsh in mind. "We'd seen him as the parole officer in 'Straight Time,'" Ethan said, "and we thought he would be perfect for the part."

They chose Texas as the locale, Joel said, "because it was a logical milieu for a passion murder story. People carry a lot of baggage about Texas around, a lot of stereotypes and clichés, and these are easy to play off of. We were after the Gothic, mythic, overblown, overheated Texas."

THEN came what Joel calls "the hardest, longest and most frustrating part": trying to raise \$1.5 million to produce the film. They made a two-minute trailer, which Joel described as "a short, slick two-minute promo reel that we would schlep to various people." After a year of knocking on doors in New York, Minneapolis and Texas, they finally had their money. All of it came from private investors, 70 percent of whom were from their native Minneapolis.

"They were a weird mixture — doctors, lawyers, entrepreneurs," Joel said. Their parents, who are both university professors, also invested a small amount.

Shooting began in Austin and Hutto, Texas, in the fall of 1982, and was completed eight weeks later. To the Coens' surprise and delight, Walsh accepted the role of the detective, and got along well with the neophyte producer and director. "Oh, he'd joke about it a lot," Joel said. "He'd say things like, 'Let's cut this sophomoric stuff, it's not N.Y.U. anymore.' We would have arguments and disagreements, but they would generally be fruitful. One time I asked him to do something just to humor me, and he said, 'Joel, this whole damn movie is just to humor you.'"

The brothers spent a year editing the film, then began searching for a distributor, which in the beginning seemed almost as difficult as the search for money. "Nobody would touch it at first," Joel said. "Four or five of the majors saw it, and most gave us a good unequivocal no. They would always say, 'How am I going to sell this movie?' 'Blood Simple' is not easily pigeon-holed generically. It's a murder film that seems to be an art film, and some distributors were afraid the murder crowd would think it was an art film, and the art crowd would think it was a murder film."

When word got out on the independent film grapevine that "Blood Simple" was completed, the Coen brothers began to receive screening requests from festivals. The film was selected for the U.S.A. Film Festival in Dallas, and then the Toronto Film Festival. Impressed with the accolades it was receiving, Circle Releasing Corp. of New York signed a distribution agreement with the Coen brothers before the 1984 New York Film Festival. "I've seen a lot of first films, and there was something about this film that was so good and so natural," said Ben Barinholtz, vice president of Circle.

The brothers deny that they deliberately

set out to do a spoof of the film noir. "We wanted it to be funny, but it's definitely not a parody," Joel said. "The plot is very grim, but we didn't want the movie to have a grim tone. Hitchcock always mixed humor with grimness very well. And Cain, Hammett and Chandler deal with murder, mayhem and simmering passions, but the tone is fairly chipper and there is a sense of fun to the storytelling."

Typical of the Coens' humor is a string of dead fish that grows more rancid as the movie progresses; a murderer using a piggy-bank as a weapon; and a getaway car that won't start after the driver has buried a victim alive.

"What always gets the biggest laugh is a scene showing the tire tracks in the field leading to the burial site," Ethan said. The car is driven to the site at night, so the viewer is not aware that the grave is in the middle of a freshly furrowed field. A subsequent early morning scene, shot from overhead, shows the very clear tracks the car has made to and from the grave.

"Blood Simple" contains much blood and gore, and the Coens say they are surprised the critics haven't taken them to task for the violence. "But the violence is bound up in the story, rather than gratuitous," Joel said. "It's very different from a horror movie where the characters are mechanically set up to be slaughtered. We have no slasher scenes. This is more of a story movie."

Ethan explained the violence this way: "When you're thinking about how to handle a murder, you can either say, 'This character dies,' or you can make the audience feel it. We want them to feel it. They're not there to get information, they're there to feel it."

HOW can two brothers who grew up in Minneapolis have such wild and bloody ideas? "It's to compensate for the fact that our lives were incredibly mundane," Joel said with a smile. "We grew



Joel, the director, and Ethan, the producer.

up in a typically middle-class family in the United States' equivalent of Siberia. All that cold weather drives you inside to watch movies. I kid with my father that he's living in the closed city of Gorky."

Their father, Edward, teaches economics at the University of Minnesota, and their mother, Rena, teaches art history at St. Cloud State University. The brothers grew up in the Minneapolis suburb of St. Louis Park, where they spent the warm weather months making Super-8 movies of their friends. "We used to watch the muscle movies on Saturday matinees, such as 'Hercules Unchained,'" Ethan recalled. "Then we'd go outside and do a remake of it. Once we made 'The Naked Prey,' with all the neighborhood kids chasing each other through the bushes. I was hoping for the Cornell Wilde part, but I didn't get it."

After what he considers an undistinguished career at New York University — "I was a cipher there; I sat in the back of the room with an insane grin on my face" — Joel

## From Folies to Drama

NEW YORK — If clowns want to be Hamlet, it is perfectly reasonable that Liliane Montevecchi, who has incarnated French Folies glamour from Vancouver to Las Vegas, should be thrilled to play a 70-year-old grandmother. "No more the oh la la thing with the leg in the air," says Miss Montevecchi, whose legs are notable. The play, by the well-known American playwright Tom Eyen, is "The Melody of the Glittering Parrot," and the grandmother's role was originally written for the late Lotte Lenya. In a long career of wild plumes and black tights, this is Montevecchi's first straight play and she is very excited.

"With a serious play I can eat before the show. My stomach can hang out a little more and no one will say, look at that figure, she shouldn't dance anymore."

The figure is perfect, the glamour authentic, and she can when she feels like it sweep into a room as if she were descending the famous 26 steps of the Folies Bergère. There is also humor and compassion: When she starred in the Folies in Paris, she used to sit nightly with the former male nude star, now reduced to dressed minor parts and too poor to buy false teeth, and chat with him while he painstakingly carved little bits of candle wax into teeth for the show.

She has starred in the Folies on Broadway, where nightly a

### MARY BLUME

showgirl named Monica absentmindedly fell into the pit, and in Paris between 1970 and 1978 she gave some 2,000 Folies Bergère performances, learning to change costumes in 15 seconds and winning what she calls the Cross of Labor for sheer endurance.

The big leap from revue came on Broadway with "Nine," a musical adaptation of Federico Fellini's "8½," for which she won a 1982 Tony award and was hailed by The New York Times as "a knockout — a glorious amalgam of music-hall feistiness and balletic grace, with Toulouse-Lautrec shadows about the eyes."

"Nine" was staged by the relentlessly inventive dancer-singer-director Tommy Tune, who will also direct "The Melody of the Glittering Parrot."

When Montevecchi and Tune met at the start of "Nine," he asked if she didn't remember the night she sat in his lap in Paris at the Folies Bergère. "How could I remember?" she says. "I sat in everybody's lap."

She has been a trouper too long to start kicking up her heels as a Toast of Broadway. There have perhaps been too many ups and downs to believe the ups are forever: What is forever is daily ballet class and hope.

Born in Paris of an Italian father and a French mother who had wanted to be a ballerina, Liliane began ballet classes during the German occupation. "We had no heat and no rights. I always remember my legs being blue and the smell of the toe shoes, which were held together by fish glue." She was spotted by Roland Petit and at 18 became his leading ballerina while Petit's wife, Zizi Jeanmaire, was on Broadway. She thought only about ballet but one day Petit heard her sing and gave her the lead in his "The Diamond Crimper" which included a song, "I am a diamond-crunching dame."

"I had a standing ovation and my mother came and said you have a triumph and I said no, no I'm not a singer, I am a dancer. Leave me alone everyone."

Petit's company appeared on Broadway in 1954 and then went to California, where they bought little green MGs and Liliane was given one of the last seven-year contracts by MGM. "I was supposed to be the new Ava Gardner but I turned out not to be."

SHE made about 15 films ranging from "Daddy Long Legs" to "King Croole" with Elvis Presley. Her last film and her best was "The Young Lions," in which she played a young prostitute who refuses to marry Marlon Brando because he is a German soldier. She spoke no English at first and her screen test, with George Sidney, was a scene from "For Whom the Bell Tolls" in which she had to try to say, "Now I have to borrow the scissors of Pilar."

"Until I die I'll know that phrase. I couldn't say it then. Scissors. Pilar. The agony." Once signed, she was given a protector-escort, Walter Pidgeon, and lessons in everything.

"We had fencing lessons, drama lessons, I had five hours of English a day for a year. Thank God I loved my teacher, but my head — I learned everything by Shakespeare and I couldn't understand a word. Thou! Thee!"

Ballet, she says, is not especially good training for screen acting. "Ballet is like silent movies. Because if you do 'Swan Lake' you have to translate all this drama with your hand, your eye." She turns briefly into a glaring Black Swan. "That's why we all look insane in ballet, the eyes are all like this."

In the Folies she learned acting of sorts by impersonating in one revue 17 characters ranging from Charlie Chaplin to Elizabeth the Virgin Queen. And she used the quick-change techniques she learned at the Folies when she did a highly praised New York nightclub act during the run of "Nine."

"I had a gimmick when I did my act. I changed my dress each time I sang another song because I was afraid people would get bored because I am not considering myself much as a singer. The critics couldn't fall asleep, they had to see what I would wear next."

The person who brought together Liliane Montevecchi's untested talents was Tommy Tune. When she auditioned for "Nine," everyone agreed she was wonderful and that it was a pity there was no role for her. Tune, who says he believes you must go with the talent, changed the entire concept of the show and cast her as a woman



Liliane Montevecchi in "Nine."

producer. "Up to this point," he says, "the producer was a German man, like Otto Preminger. She was my inspiration for making it a cast of all women and one man."

"Liliane," he says, "is the sun and the moon and the stars. She brings her own light wherever she goes. I think that's important in the world and I think that's important onstage, sending that into the world every night."

In "Nine," which won five Tony awards, Tune had Montevecchi do a Folies parody with a 30-foot black feather boa, "magically refracted into Freudian shapes," according to The New York Times.

"The Melody of the Glittering Parrot," which they will do together next season, came about because Tune wanted to work with Montevecchi in a dramatic, nonmusical role that will make enormous demands, one being that she plays a very old woman and, in flashback, a very young one. Tune wanted to put Montevecchi in an exotic setting and so he sensibly imagined her in an American Midwestern living room "because she just doesn't belong there. I know if she went into my mother's living room, something strange would happen."

"I play the understudy of Sarah Bernhardt," says Montevecchi. "She's never put her foot onstage because Sarah Bernhardt was never sick. Anyway she got married and had a little girl who married an American and went to live in Ohio."

So Montevecchi's character goes to exotic Ohio and sees her daughter, whom she doesn't much like, and her 7-year-old grandson, whom she does. "This lady is full of mischief and so is he. This connoisseur, this understanding we have lasts until he is 25 and I die in his arms."

Since she is playing a 70-year-old, Montevecchi is thrilled that at least she won't have to show her legs. Or so she believes.

"Well, that's Liliane's thing," says Tommy Tune. "I will always want to see her legs. They're the most perfect legs in the world, the best pair of legs I have ever seen, ever. And I major in legs." ■







## FOR FUN AND PROFIT

Seeking a Travel Agent  
In a Buyer's Market

by Roger Collis

CHOOSING a travel agent is similar in many ways to choosing an advertising agency. And given the complexity and cost of travel, it can be an equally important business decision.

There is the same emphasis on creativity, for example, how much money can the travel agent give you by manipulating the air and government rules on complex itineraries without losing flexibility? Are they capable of anticipating problems, like the risk of missing a tight connection at certain airports or with carriers that have a record for lateness? Will they suggest a "third airline" such as Air Egypt, when flying from London to Rome? Or taking the southern route to Tokyo?

How proficient are they at buying travel services (the travel equivalent of media buying)? For example, can they deliver a better corporate rate on hotel rooms through bulk discount arrangements? Can they get you upgraded to business or even first class at no extra cost? Can they pull strings to get you your favorite seat?

Just as important, how efficient are they? For example, do they have a 24-hour information and reservation service that can be accessed by a collect call anywhere in the world?

According to an American Express survey carried out in the United States last July, a majority of companies said that they look for staff proficiency more than any other service feature. Here's the truth in the old advertising adage: the agency is only as good as the people servicing your account.

So it's always a good idea to check out the folks at the front desk. As Lance Coleman, general manager of Kono Travel in London, puts it, "We always encourage new clients to visit our offices. It's important that they have insight and better understanding of each other's problems and needs. The trouble is that secretaries aren't always sure what their boss wants. Sometimes the boss isn't sure either."

Knowing what you want can determine which travel agent you choose. For example, a consulting firm that charges its out-of-pocket level expenses to its clients may be more concerned about efficient service than saving money. A manufacturing company may want to shop around for the best rebate on total travel expenditure. Another company may be more interested in getting a maximum discount on hotels, or special expertise with sea meetings and trade fairs. Clout with airline on a frequently traveled route or knowledge of a certain geographical area may be deciding factor. Hogg Robinson, a London-based travel agency, has a resident business expert on the Middle East and Africa; his services, ranging from help on government tenders to translations and market intelligence, are free to corporate clients.

Following is a smorgasbord of services that you should expect from a major business level agent:

- Around-the-clock, on-line computerized information and reservations service.
- Leaving travel agents have their own high-tech systems such as Travicom/DFAS and Viata and Videotex, which provide instant access to the reservation centers of all major airlines, immediate price and information availability, ticketing and itineraries.
- Good agency has staff members who know the ins and outs of promotional fare offers and can juggle rates and travel sectors to fit the best possible deal. For example, the should be able to match APEX, PEX, another fare deals without the same sort of rejections.

- Documents delivery. A reliable door-to-door service for tickets, visas and other travel documents.
- Packages for conferences, trade fairs and exhibitions. Expertise on travel incentives.
- Travel insurance. Corporate discounts for personal, baggage and medical expenses.
- Health. Advice and information on shots and other precautions. Details of climate and weather conditions.
- Hotel discounts and reservations, a service that is often neglected by corporate clients. Agents should offer special rates up to 50 percent less than published tariffs.
- Special services. Membership in airline clubs (especially exclusive ones like Swissair), a meet-and-greet service at major airports, discounts on car and air taxi rentals, help with visas and passports, no 1 percent service charge on travelers checks.
- Credit facilities. Most agents give extended credit to corporate clients (Kono, for example, allows 45 days to pay). Others (Lunn Poly and Hogg Robinson, also in London) have a corporate account service linked to Diners Club, which extends credit to 60 days. American Express Travel Management has its own system.
- Travel pattern analyses. A customized management report showing how much

Staff proficiency  
put first among  
qualities sought

money the agent is saving you (or could have) each month, by comparing the normal fare with the fare offered. Typically, this will be categorized by traveler, department, destination, and by type of travel service i.e. airlines, hotels, car rentals and so on.

Travel agents traditionally make their money from commissions (normally 10 percent) from airlines, tour operators and hotel groups, not by charging their clients.

There is a growing tendency, however, especially in the United States, for such major corporations as IBM and General Motors to establish their own in-house travel facilities (called "in-plants" in trade jargon), often financed and controlled by a travel agent. In return, the company pays a management fee to the agent, which depends on who pays for what: personnel, office space and so on.

Since the demise of the Civil Aeronautics Board at the end of last year, airlines are now free to pay commissions direct to companies. So far, no major airline has done so, but the possibility of this happening is causing an uproar in the travel industry.

It's a buyer's market. And competition for the business dollar is so intense that travel agents routinely give rebates, or kickbacks, to corporate clients (2 to 3 percent is normal, 6 to 7 percent is not uncommon). Consequently, agents may be earning as little as 1 to 2 percent of turnover.

This practice can result in diminishing returns.

The American Express survey noted that ability to get the lowest air fares, to monitor corporate travel policy and to supply management information reports weigh much heavier than the availability of rebates.

As one travel agent says: "Getting a discount doesn't mean you won't get wrong advice."

"The American Express 1984/85 Survey of Business Travel" is obtainable at \$142.50 from Box 13829, Phoenix, Arizona 85002.

## Mahler and His World

architect and interior decorator. Finally, after Mahler's death in 1911, it was Moll who made the death mask and Hoffmann who designed the composer's simple but striking tombstone, inscribed merely with his name. All of these are amply documented in the Paris exhibition.

There is also a fascinating series of informal photographs of a coffee hour at the Moll residence, with a breathtaking cast of characters that includes—besides the Molls and the Mahlers—the theater director Max Reinhardt, the painter Gustav Klimt, the stage designer Alfred Roller, the composer Hans Pfitzner, and Josef Hoffmann.

While this must have been an exciting time in Vienna, it was also a time of great tensions, for the Hapsburg capital was then as it is now one of the most conservative cities of the Western world, deeply resistant to change. Mahler wanted very much to be director of the Hofoper, but he was determined to shake it out of its easy-going ways and make it a home of model operatic production. "What you theater people call your tradition is nothing but your sloppiness," he is supposed to have said to the Opera's chorus on one occasion—a remark that was as popularized as "Tradition is Schlamm."

Not only was he rigorous in his musical standards, but he was often his own stage director as well, and as designer he brought in Alfred Roller, an artist and teacher who had not previously worked in the theater. Roller became one of the most celebrated of theater designers, abandoning painted flats for scenery that occupied space and making rich psychological use of form and color. Many of his Vienna sets and costumes are documented here, including those of such



Mahler, by Enrico Caruso.

famous Mahler-era productions as "Don Giovanni," "Fidelio" and "Tristan und Isolde." Now that conductors, stage directors and designers are practically the stars of opera, it is hard to fathom that for the new production of "Don Giovanni" in 1905, neither Mahler's name nor Roller's can be found on the poster.

The exhibition also includes an extensive sample of manuscript scores and annotated copies, particularly fascinating in the case of such a fastidious composer. One of the most interesting is Willem Mengelberg's copy of

the score of the Fourth Symphony with detailed notes by the conductor. "All the changes in red ink are made in Gustav Mahler's own hand." Next to this, circled, is the notation, "Guaranteed. W. Mengelberg." Below that: "All those in red pencil are by me." An arrow points to the words "Word of honor. W. Mengelberg."

Not only was Mahler immortalized by famous contemporaries among them Auguste Rodin, and some not so famous, but the resurgence in popularity of his music is apparently paralleled by the popularity of his likeness as a kind of Pop art artifact. Several recent works of art in the show testify to this.

Two films of about 15 minutes each are included in the exhibition. One is an audiovisual survey of his life that parallels the exhibition but does not really add much to it. The other is a unique document—the aged Alma Mahler-Werfel (with the Mahlers' daughter, Anna, a sculptor) reminiscing mainly about Mahler's stings in Paris for Rodin and about his relationship with the young Arnold Schoenberg in Vienna.

On successive Sundays during the show, documents in sound will be played, the rarest of them being piano rolls of Mahler playing some of his own music. Others include singers from his era at the Vienna Opera, and historic interpretations of the composer's works by Bruno Walter, Oskar Fried and Mengelberg.

"Gustav Mahler, un homme, une oeuvre, une époque," Musée d'Art Moderne de la Ville de Paris, 11 Avenue du Président-Wilson, Paris 16; to March 31.

Continued from page 7

MUSICIANS did not limit it to the Alpine scene: one hears *ranz* des vaches in the last movement—before the storm—of Beethoven's "Pastoral" Symphony as well as in Beethoven's "Symphonie Fantastique." Richard Strauss transposed the melody to the Spanish countryside in "Don Quixote."

Richard Wagner, vacationing on the Rigi mountain, wrote to Minna that the call of an

by Mavis Guinand

LAUSANNE, Switzerland—It's just an old Swiss song that sums up most Alpine clichés, but it has been worked into music familiar the world over and helped cement the many differences of this tiny country.

"Pastoral calls have been known from the beginning of time and may be one of man's most ancient forms of communication," says Guy Métraux, a cross-cultural historian who has traced its evolution over 500 years from a folk song to the equivalent of a Swiss national anthem. "What is unique is that it has survived into the 20th century, possibly because of its emotional content."

Setting off on travels through Switzerland in 1828, James Fenimore Cooper made a note to himself to, as he put it, "enquire the true meaning of the *ranz des vaches*." The author of "The Last of the Mohicans" was curious to see the Swiss in their native wilds, and hear the tune that was said to make Swiss mercenaries weep and desert.

When he finally heard it played on the long alpenhorns, which carry sound for miles around, the sour notes of the instrument grated on his ears. But even today, Swiss admit that when they hear the *ranz*, or *Kuh-reihen*, as it is called in German, the melody tugs at their heartstrings.

Swiss herders from Gruyère and the Oberland all the way to Appenzel—have vocalized the *ranz des vaches* to soothe, summon or guide their cows along the pastures. From dozens of regional variations, the musicologist Max Peter Baumann has found a single basic pattern. The words, which were added far later, once varied from one chalet to the next, but fall in three parts: a repeated call ("Liauba, liauba" is the refrain in Gruyère); a chanting roll call of the herd; then anecdotes of mountain life, ending on a plaintive note.

Since it was passed down orally, there is no way to tell how the *ranz* was originally sung or played, but in the 18th and 19th centuries it became a favorite musical theme to suggest Alpine or rustic scenes.

The notes were transcribed as early as 1545 by a companion of Martin Luther. Jean-Jacques Rousseau next entered it among exotic "savage" tunes—between Persian and Chinese airs and a Canadian jig—in his 1767 Dictionary of Music. He also recorded an earlier medical observation that it made Swiss recruits so homesick that they were forbidden to sing, play or whistle it on pain of death.

This legend was never verified, but charged the tune with such romantic content that Goethe, Wordsworth, Byron and all the romantic travelers in their trail tried to hear and describe its powerful effect.

For the Romantics, it evoked specially a proud, free people in their natural surroundings—dark pines, lush valleys and snow-capped Alps in the distance.

To conjure up this mood, the composer André Grétry inserted the air into his opera "Guillaume Tell," staged in Paris during the French Revolution. Almost forty years later, Rossini wove it into the score of his opera on the same legend, following the mention of cowbells in the Schiller drama on which the libretto was based.

Franz Liszt borrowed the air for piano improvisations, and Robert Schumann stylized it for the background of "Manfred," the dramatic poem that Byron set in the Alps.

MUSICIANS did not limit it to the Alpine scene: one hears *ranz* des vaches in the last movement—before the storm—of Beethoven's "Pastoral" Symphony as well as in Beethoven's "Symphonie Fantastique." Richard Strauss transposed the melody to the Spanish countryside in "Don Quixote."

Richard Wagner, vacationing on the Rigi mountain, wrote to Minna that the call of an

## TRAVEL

## The Song That Makes Strong Swiss Cry

alpenhorn summoning hotel guests to view the sunrise had awakened him at 4 A.M. Since it was raining, he did not get up, but the melody kept running through his head to become the tune a shepherd plays to announce the arrival of his flock.

The *ranz* was adapted to many operettas with titles like "Swiss Family," "The Chalet," "The Cowherds" and even "Home! Sweet Home! or the Ranz des Vaches," first sung at Covent Garden.

It may have been in the lost score of one of the first operas performed in the United States, in 1796: "The Archers, or the Mountaineers of Switzerland." And, in 1913, it was brought to Chicago in an Austrian opera based on the pathetic legend of the Swiss soldier sentenced to death for singing the *ranz des vaches*.

In Switzerland itself, such composers as Emile-Jacques Dalcroze, Arthur Honegger and Jean Daeutwyler have interpolated the *ranz* in their works. Others have drawn on it to compose music for men's choirs, bands and orchestras.

Commercialized and even ridiculed in Pierre Larousse's Dictionary of the 19th Century, as the "Marcellaise" of cattle, still the song has given the diverse people of Switzerland common roots. Mountain people, posted by waterfalls, lakes and Alpine huts, obligingly performed the *ranz*—for a fee—for curious tourists. It is the one recognizable air that crosses cantonal barriers of language and religion.

It was performed at the first Alpine jousts held in Unspinnen in 1805, it has always been the heart of the Fêtes des Vignerons, an event held every 25 years in Vevey, the public fervently picking up the refrain.

At the last such festival, in 1977, a powerful rendering by one cowherd, Bernard Romanens, was so applauded that he went as far as New York and Beijing to perform it. Nor was it the first time the Chinese had heard it. Fine watches that played the tune were often made for the Far Eastern market in the 19th century.

The *ranz* expresses an ancient image: against the mountain setting on romantic engravings, tourist posters or postcards, a solemn procession of cows winds across the pastures. The scene has been painted over and over on farm implements, on panels hanging with the big bells in front of the barn, cut into lacy paper silhouette découpages, chiseled on silver buckles, carved in wood, etched on glass. The worst production may be brightly kitsch, but the best can be touchingly naive.

After many years abroad as a Red Cross delegate, professor, and editor of historical works, Métraux, who is Swiss-born but holds a doctorate from Yale, has retired here and spent the last years studying this aspect of popular music. His recent book, published in Lausanne in 1984, prompted a Lausanne museum to mount an exhibition of documents, paintings, partitions and folk art relating to the Alpine pastoral theme.

"Le Ranz des Vaches" will be shown at the Musée de l'ancien-Evêché, Place de la Cathédrale 2, Lausanne, until March 17. Daily except Monday, from 2 to 5 P.M.; Thursday 2 to 7 P.M.



A hearty rendition of the Ranz des Vaches in the 1920s.

*The Land of my Birth*  
Sung by  
MR. WOOD  
in the Grand Opera of  
"HOME SWEET HOME!"  
or the Ranz des Vaches.  
Theatrical Society, Covent Garden.  
The Play by J. P. W. R. R. R.  
(Composed by)  
KENNETH R. BISHOP.

Andante con moto, (Moderato) Expressive.

Flauto solo.

Opera Home. (Original Key, A1)

A page from an English operatic version.

## THE NEW YORK HERALD.

WHOLE NO. 23,225. EUROPEAN EDITION—PARIS, WEDNESDAY, JANUARY 31, 1985—TWENTY-FOUR PAGES. PARIS 15; MADRID, 2; BARCELONA, 2.

## QUEEN VICTORIA PASSES AWAY AT OSBORNE HOUSE.

End Case at Half-Past Six.  
Peacefully, surrounded  
by her children.  
CLOCK AT OSBORNE,  
SURREY AT CORNER.  
Enter William, the Prince of Wales,  
Duke of Albany and Duke of York.  
SOME EARLY MORNING FEARS.  
When the War Clouds began to drift,  
the British and German  
SOME LATE THE EVENING ONE  
CHAMBERLAIN.  
SOLD OF WINDS.  
THE NEW YORK HERALD  
OFFICIAL BULLETIN, 7-8 P.M.  
THE HERALD'S NEW YORK  
CORRESPONDENT HAS BEEN AT OSBORNE  
AND OSBORNE HOUSE.  
(LONDON)  
LONDON, WEDNESDAY, JAN. 31.  
OSBORNE HOUSE, SURREY.  
THE NEW YORK HERALD  
CORRESPONDENT HAS BEEN AT OSBORNE  
AND OSBORNE HOUSE.  
COLLECTING OF THE DAY.  
The Prince of Wales  
and the Queen.

THE FRONT PAGE 1887-1980

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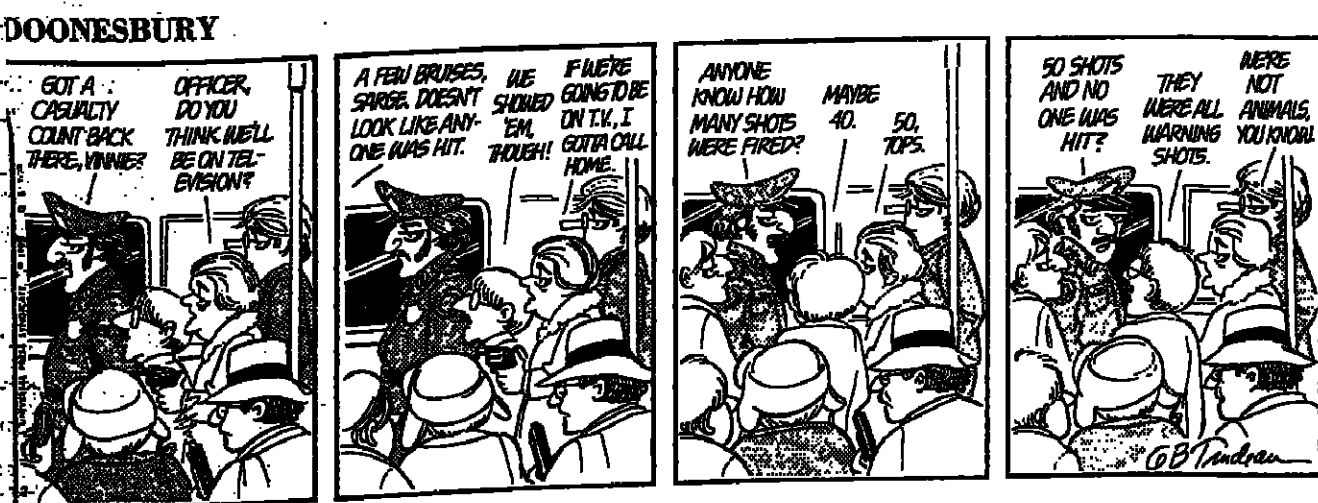
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## Dear Shareholder,

Your Company has achieved record profits in 1984, its seventy-fifth operational year, largely due to the performance of subsidiaries in the United Kingdom and the Americas. Earnings per share have increased by a substantial 35 per cent and the total dividends for the year are the highest ever. The trend continues into the current year.

The Group balance sheet continues to strengthen with gross assets increasing to over £2 billion at the year end, including cash balances of £126 million which increased by the receipt of £166 million in November following the sale of our investment in House of Fraser and a bond issue in Germany. This resulted in total net borrowings, excluding those relating to our confirming businesses, decreasing from 30 per cent in 1983 to 21 per cent of gross assets.

Net assets per share have also increased by nearly 22 per cent to 241 pence per share.

Whilst still maintaining our investments in Africa, we have been expanding in the United Kingdom, Europe and the Americas which has, we consider, resulted in a significantly well balanced business, with profit contribution from these three areas now accounting for 47 per cent of total profits.

The hotel and casino divisions have substantially increased their profitability in the year with the Princess Properties International Group performing particularly well. A large proportion of the Group's capital expenditure during the year has been spent on upgrading and expanding these divisions.

I am glad to report that our manufacturing companies in the United Kingdom have also had a very good year, with greatly improved results being achieved by the Firsteel Group, Lonrho Textiles and George Outram. Some of our manufacturing companies in Africa have, however, been affected by reduced demand in local markets, but there are already signs of some improvement in the current year.

Our traditional activities of agriculture and mining continue to improve. We are the largest commercial food producer in Africa and, through well managed companies, have been able not only to supply local markets with produce but also to earn valuable foreign exchange for the countries concerned through the export of agricultural products not in demand locally. It is in this manner that we have been able to make a positive contribution to the alleviation of the plight of many people in the areas affected by drought.

You will already be aware that we disposed of our investment in House of Fraser in November for a cash consideration of £138 million and retained the right to receive a gross dividend of £2 million. This investment was acquired at a cost of slightly under £67 million, thereby producing, I am sure you will agree, a handsome return even without taking account of the £25 million dividend income received over the years.

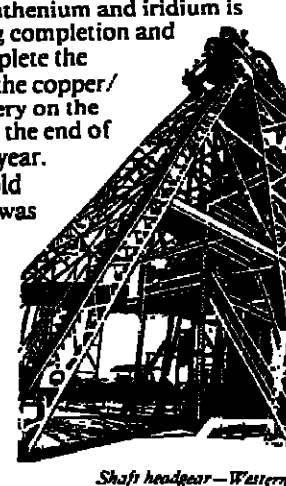
Since the sale we have acquired a 6.3 per cent shareholding in House of Fraser. With our knowledge of the business we considered our purchases, at around 300 pence per share, to be an attractive investment. We have also been before the Monopolies Commission and the outcome of their deliberations will have a direct bearing on our future policy regarding House of Fraser.

It was with sadness that we learned that Lord Duncan-Sandys was intending to stand down as Chairman of your Company after many years. Sir Edward du Cann, who has been acting Chairman for the past year, has accepted the Board's unanimous offer of the Chairmanship. However, I am sure you will be pleased to know that Lord Duncan-Sandys has accepted the position of President and will, therefore, remain with your Company. Finally, I would like to thank all employees worldwide for their hard work, loyalty and enthusiasm, without which we would not have been able to report such fine results this year.

## MINING AND REFINING

Our platinum operations had a successful year with record output and profits. Production expanded to 235,000 ounces of platinum group metals in the year from 134,000 ounces only three years ago, and we have started a two year programme to increase output by a further 35,000 ounces per year. In addition, construction of our new plant to refine rhodium, ruthenium and iridium is now nearing completion and we will complete the erection of the copper/nickel refinery at the mine site by the end of the current year.

Group gold production was again well maintained at the 400,000 ounce per year level and profitability has increased.



Shaft headgear—Western Platinum, Marikana

# Lonrho has achieved record profits in its 75th operational year

## THE TREND CONTINUES INTO THE CURRENT YEAR

R W Rowland, Chief Executive

Apart from other expansion programmes, a major increase in production is planned at the Ashanti gold mine in Ghana using funds from a consortium led by the International Finance Corporation.

The first of two large shaft systems to exploit the extensive gold reserves of Eastern Gold Holdings, the major new mine administered by The Anglo American Corporation, is nearing completion and underground development has commenced. We continue to have a 36 per cent shareholding in this property.

Significant improvements in profits from bituminous coal and anthracite mining have recently been forthcoming as a result of strengthening demand. In equal partnership with Atlantic Richfield and Shell, we have been awarded a concession by the Bahamian Government for offshore oil and gas exploration covering some 2.4 million acres.

## AGRICULTURE

Despite a lower crop yield than in the previous year, due to the lowest level of rainfall in over a decade, our tea growing company in Malawi achieved by far the highest profit ever recorded as a result of strong tea prices. The expansion of the factory at Mindali has been completed, one year ahead of schedule.

Production at our seven sugar estates in Malawi, Mauritius, South Africa and Swaziland increased to 426,000 tonnes during the year and overall profitability increased.

The main area of the Group's expansion in Zambia is in the agricultural sector, where Kalangwa Estates, one of the largest producers of agricultural goods in the country, has made significant progress growing vegetables for export. The company continues to supply a large range of dairy and other produce for the home market.

Despite a third successive year of drought our agricultural activities in Zimbabwe achieved profit growth. The policy of strictly controlled stocking levels and continuing good ranch management has resulted in



Cattle—East African Tanning Extract Co., Kenya satisfactory results from the ranches where 14,000 head of cattle were sold in the year. Revenue from wattle and coffee sales benefited from the strong U.S. dollar with 6,158 tonnes of wattle extract being exported and coffee production increasing.

At East African Tanning Extract in Kenya, prolonged periods without rain affected crop yields. It continues to be



Tea estates—Malawi

a major exporter of wattle extract and its production of mushrooms during the year amounted to nearly 300 tons.

We are currently investigating suitable agricultural opportunities in Tanzania, and it is hoped that we may enter into a joint venture in the near future.

## HOTELS

The Princess Hotel Group has exceeded last year's record profits by 50 per cent, with a particularly strong performance from the hotels in Mexico.

The Acapulco Princess achieved occupancy levels in excess of 90 per cent during the first half of the year and continues to attract both tourist and conference trade with its fine facilities which include two golf courses, five swimming pools and conference rooms capable of handling groups of up to 2,000 people.

Phase three of the major renovation plan for the Hamilton Princess in Bermuda was completed in January, substantially improving the facilities at this hotel.

The Princess Casino in the Bahamas was opened in October 1983 and in its first year of operation has firmly established itself in the casino market.

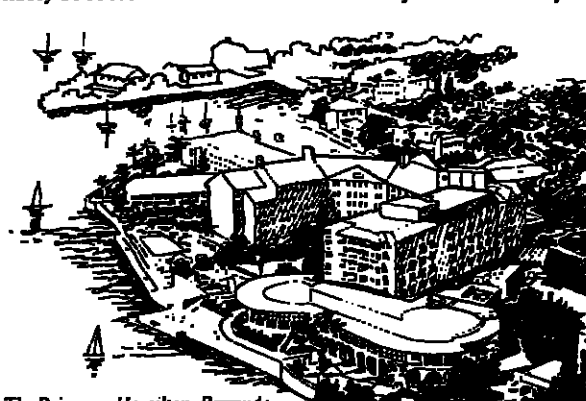
The Metropole Group of Hotels has had a highly successful year, with the Birmingham, Blackpool and Brighton hotels returning record profits.

The Group's hotels in the United Kingdom handled over one thousand conferences in the period under review, thus maintaining their position as the leading exhibition and conference group in the country.

Major improvements were made to several of the Metropole hotels.

Record occupancies were achieved by all hotels with our new hotel in Blackpool doing particularly well, reaching an average occupancy of 73 per cent in its second full year of operation.

The casino division has also had a very satisfactory year. It was the first full year of operation at new premises for Crockford's Club, which has proved immensely successful.



The Princess—Hamilton, Bermuda

## 1984 AT A GLANCE

	1984	1983
Turnover	£2,367m	£2,356m
Profit before tax	£135.4m	£113.2m
Profit attributable to shareholders	£55.0m	£40.6m
Earnings per share	20.9p	15.5p
Dividends per share	11.0p	9.0p
Net assets per share	241p	198p

The seventy-sixth Annual General Meeting of Lonrho Plc will be held at the Great Room, Grosvenor House, Park Lane, London, W.1. on Thursday, 28th March, 1985.

The International Sporting Club was transferred to its new premises in Mayfair on 18 July, and the opening was a huge success. The building has been



Western Machinery &amp; Equipment introduced a new range of forage harvesters manufactured by Taarup which have achieved the No. 1 position in the United Kingdom market for this equipment and Wearware has made spectacular progress in sales of Deutz-Fahr combine harvesters.

Lonrho has been appointed United Kingdom concessionaire for the range of vehicles produced by the Spanish motor manufacturer SEAT.

In many African countries we continue to be agents and distributors for a number of major vehicle and agricultural equipment manufacturers, including Mercedes Benz, Massey Ferguson, Toyota, Peugeot, Land Rover, Volkswagen, BL and the range of General Motors.

## MOTOR DISTRIBUTION

V.A.G. (United Kingdom), the sole U.K. importer for Audi and Volkswagen products, again had a highly successful year with profits and sales of 106,000 vehicles the second highest ever, narrowly missing last year's record performance.



Bus and trucks built by W. Daimler &amp; Co.—Zimbabwe

The company has maintained its position as the leading importer of European cars with a market share of 5.5 per cent. Two important new Volkswagen models, the Golf and

Jetta, were successfully introduced to the market and are already outselling their predecessors.

The company's prestige marque, Audi, also continued to make excellent progress.

The Group is also the sole importer for M.A.N. and Volkswagen commercial vehicles, and this part of the business reported a further improvement in sales performance.

Dutton-Forsyth has maintained its position as the fourth biggest retailer of Austin Rover vehicles within the United Kingdom and sold almost 19,000 BL vehicles.

Jack Barclay maintained its position as the world's leading distributor of Rolls-Royce and Bentley cars.

have penetrated the bond market for prospectus and bond printing sold as one package. They are the only printers within a single

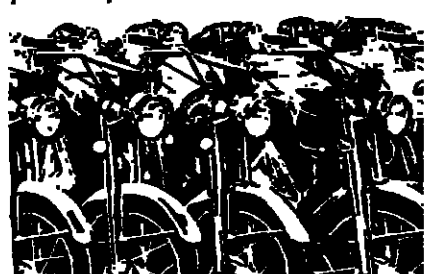
organisation who can offer the printing of prospectuses, bonds and official advertisements under strict security conditions.

Harrison & Sons celebrated the 50th year of holding the British Post Office stamp printing contract and are the world's largest commercial stamp producers.

Holmes McDougall undertook a co-publishing venture with the EEC for a book outlining the role of the EEC to be distributed to schools in the United Kingdom.

## ENGINEERING

The Firsteel Group in the United Kingdom has produced very pleasing results with profits almost double those of 1983. The successful introduction of new products played a major part in increasing the activity levels of these companies by 50 per cent over the previous year.



Yamaha motorcycles assembled by John Holt—Nigeria

The engineering and process plant companies continue to be affected by the recession. Despite this, most of these companies traded profitably. Tollmache successfully completed the refuse transfer station at Blackpool and Lightfoot Refrigeration was highly profitable.

There has been a substantial reorganisation of our stainless steel sinks division, which achieved a comfortable profit compared to losses last year.

Our water treatment contracting company, S.E.E. in Belgium, has made progress with major contracts in Africa and the United Arab Emirates.

The division of Holts in Nigeria, which assembles and sells generators based on Rolls-Royce and Deutz engines, had a very good year.

Our engineering company in Zimbabwe, W. Dahmer, exported a fleet of buses to Zambia during the year and continues to dominate the Zimbabwe market with its fine, robust vehicles, as much as 70 per cent of the constituent parts of which are manufactured locally.

Vitrex Paints in Zambia achieved an increase in profitability in the year with demand for its products far exceeding its production levels.

## WINES AND SPIRITS

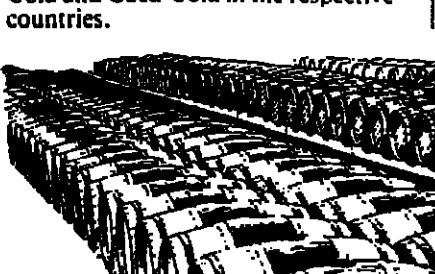
Whyte & Mackay continued to pursue its policy of long term brand development.

Whyte & Mackay Special is now judged to be the ninth biggest brand of all spirit types in the United Kingdom and sixth in England. During the year an important association was formed with IDV (UK) Ltd., who now represent Whyte & Mackay in various major English outlets.

Our French wine interests have had another satisfactory year with recent vintages from Châteaux Rausan-Segla and Smith-Haut-Lafitte receiving some particularly favourable comment.

In Kenya we commenced production and distribution of traditional African beer during the year and we also continue to operate 18 breweries elsewhere in partnership with African Governments and Municipalities.

The Group now has three bottling plants in Nigeria and a plant in Zambia, principally handling Pepsi-Cola and Coca-Cola in the respective countries.



Underground cellars—Châteaux Smith-Haut-Lafitte, Bordeaux

## PRINTING AND PUBLISHING

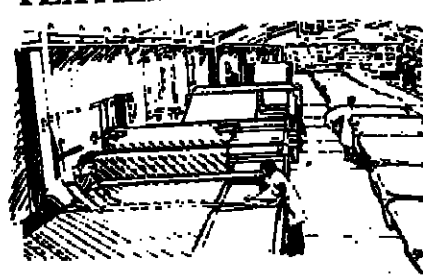
There has been a significant resurgence in the fortunes of the Glasgow Herald and Evening Times. Circulations of both papers improved steadily and advertising volumes have also shown very encouraging increases.

The Observer continued to maintain its position in the quality Sunday newspaper market, with six of its journalists winning major awards for their work.

Our 22 provincial newspapers, published by Scottish & Universal Newspapers, increased circulation levels whilst most of our competitors were showing varying levels of decline.

Greenaway-Harrison, in conjunction with Harrison & Sons,

## TEXTILES



Cutting fabric—Lonrho Textiles, Cramlington

Lonrho Textiles made substantial progress, achieving its first ever trading profit. The Accord Shops, Brentfords and the recently acquired John Wilson Household Fashions, sell through over 250 retail high street and shop-in-shop operations, making Lonrho Textiles one of the largest bedlinen retailers in the United Kingdom.

The factory at Cramlington is by far the largest vertically integrated one-site textile operation in the United Kingdom, processing 250 miles of wide-width fabric per week.

Overall, David Whitehead and Sons in the United Kingdom did well during the year, despite some problems with the jersey knitting line in John Barnes. Our household textile company, Besco Baron, had a reasonable year, recovering strongly in the second half.

David Whiteheads in Zimbabwe had a poor year caused largely by a weak domestic market which led to the company exporting more of its products at lower profit levels.

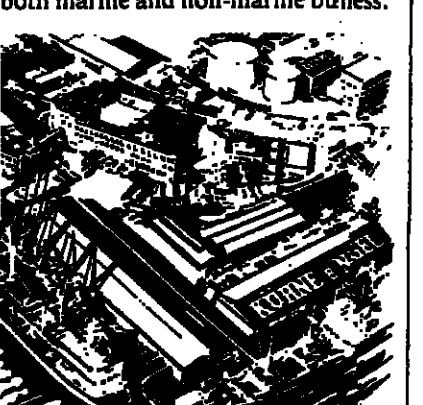
David Whiteheads in Malawi performed creditably.

A large proportion of Malawi's agricultural produce is now packed in "Produksaks" manufactured by Blantyre Netting. Productivity increased by 10 per cent in the sack section, which has been operating virtually non-stop throughout the year.

## KÜHNE &amp; NAGEL

Kühne & Nagel, who employ nearly 7,500 people, have had another excellent year, particularly in their Western Hemisphere group where profits in Canada and the United States have increased considerably. Trading in Germany, the United Kingdom, the Far East and Australia also progressed satisfactorily.

In addition to their transport connected activities, including light forwarding, warehousing, port handling, stevedoring and ship agencies, Kühne & Nagel have set up an insurance brokerage group handling both marine and non-marine business.



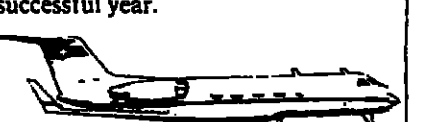
Kühne &amp; Nagel terminal facilities—Rotterdam

Two warehousing companies we acquired in the United States, whilst container terminal in the port of Rotterdam is currently under construction.

Kühne & Nagel are continually endeavouring to expand their spread of agencies throughout the world.

## FINANCE, GENERAL TRADE AND AIRCRAFT

The Group's property investment companies have had another very successful year.

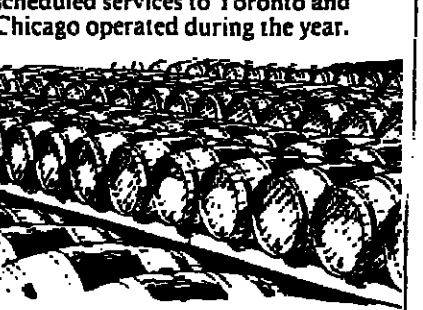


Gulfstream III—one of the Group's operated aircraft

The programme of selective sales has continued but, notwithstanding these, the overall value of the portfolio at the end of the year has increased to in excess of £66 million. The annual net rental income, both in the United Kingdom and in France, has also substantially improved.

The international financing and confirming operations of Balfour Williamson were again seriously affected by world trading conditions, but prospects for 1985 are considerably brighter.

Tradewinds Airways became Britain's first scheduled all-cargo carrier in November 1983, and scheduled services to Toronto and Chicago operated during the year.



Southern Watch and Clock, who are suppliers to the horological trade, had a very satisfactory year and continue to be a consistently good profit earner for the Group.

Baumann Hinde, the Group's cotton merchanting company, traded well despite unsettled market conditions.

Yours sincerely,  
Tim Rowland

1909 — 75 YEARS — 1984

# LONRHO

Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.

The text is taken from the Chief Executive's Review contained in the Report and Accounts for the year ended 30 September, 1984 which will be published in late February. Copies will be available from the Secretary, Lonrho Plc, Cheapside House, 138 Cheapside, London, EC2V 6BL.



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FRIDAY, FEBRUARY 1, 1985

TECHNOLOGY

British Firm Tests Chips  
Capable of 'Juggling' Tasks

By BARNABY J. FEDER  
New York Times Service

LONDON — Anyone struggling to soothe an upset infant while carrying on a telephone conversation and making dinner can take comfort from the thought of how glorious the performance would seem to a computer designer. Computers can handle incomprehensible amounts of information at dazzling speed, but they are, for all intents and purposes, hopeless at doing several things at once. Somehow, they have to sort out an order in which to handle each piece of information.

Although the computer's sequential approach works wonderfully on some problems, and acceptably on many more, many computer designers concerned with building the super information processors of the future — sometimes known as fifth-generation computers — believe that the path to a real breakthrough is through systems that operate more like the human mind. Their jargon for simultaneously handling several problems, or several parts of one problem, is "parallel processing."

This year will be a crucial one for what currently looks to be the most advanced design of such a processor — a microchip called the transputer. The transputer is the first processor made by Inmos International PLC, the company set up in 1978 with funding from the British government to give Britain a domestic microchip maker. The government sold Inmos last summer to Thorn EMI PLC.

The Thorn takeover has given Inmos solid financial backing for plans to offer test transputers to computer makers by the middle of this year. The schedule calls for regular sales by the end of the third quarter, and volume output by the end of the year, along with the introduction of the second transputer in the family.

The first device is intended to operate in central processing, and the second will be tailored to bringing parallel processing capabilities to peripheral equipment. Later chips will focus on other processing tasks, such as graphics.

As an isolated processor, the transputer is a competitor for the processing microchips of companies such as Intel Corp. and Motorola Inc., with performance, cost and on-chip memory characteristics that probably will make it better than those of established chip makers for some applications, and not as good for others.

The difference is that the transputer is designed to be linked with other transputers in a way that allows processing functions to be shared easily among them, and, equally importantly, it is designed to use a new computer language, known as Occam, especially suited to parallel processing.

Inmos says that it has been able to gain a lead in parallel processing because established chip manufacturers are committed to advancing conventional designs so that current customers can trade up to their new products. It is an appealing argument — an airplane designed from scratch probably will fly better than a car modified for air travel — but the catch is that it may take potential consumers quite a while to figure out how to use something as different as the transputer.

In theory, there are numerous applications: complex telecommunications mixing sight, sound, and data; advanced graphics and simulation; robotics; interpretation of data from arrays of sensors, and finite element analysis.

However, the jump from existing approaches to using the transputer for parallel processing could be a risky one for designers. The key may be the spread of Occam, the language developed in tandem with the transputer and named after William of Occam, the medieval philosopher whose ideas on problem solving are today known as the "Kiss" Principle — Keep It Simple, Stupid.

Later chips will focus on other processing tasks, such as graphics.

Oil Prices Increase Sharply

Analysts Split On OPEC Move

The Associated Press

NEW YORK — Oil prices shot higher in hectic trading Thursday, a day after most OPEC members agreed to modest price reductions.

Analysts attributed the buying to refiners who had put off earlier purchases amid uncertainty over the price outlook and to speculators who had bet on a price collapse and were scrambling to limit losses. Analysts remained divided on whether OPEC's meeting had stabilized markets.

In record trading on the New York Mercantile Exchange, the price of a barrel of the top U.S. domestic oil, West Texas intermediate, rose 74 cents a barrel to finish the day at \$26.41 in contracts for March delivery.

As recently as Monday, when it seemed possible that a conference of the Organization of Petroleum Exporting Countries was going to collapse and the cartel unravel, West Texas intermediate briefly fell to a five-year low of \$24.66 a barrel.

A record 36,300 contracts for crude oil changed hands on the exchange Thursday, surpassing the previous high of 24,934 set Dec. 12. Each contract represents 1,000 barrels of oil.

Andrew Lebow, an analyst at Shearson Lehman Brothers Inc., said the buying began in Europe among refiners and traders and gained momentum.

"There was tremendous pent-up demand," Mr. Lebow said. "But as long as you had the threat of OPEC unraveling, people would not go in and buy."

At the end of a meeting in Geneva, nine of the 13 OPEC members agreed to cut prices while Nigeria would roll back part of an earlier price cut.

On the spot or noncontract market, Arabian light oil for February delivery rose 15 cents a barrel to \$27.75. On Wednesday, OPEC agreed to cut that blend \$1 a barrel to \$26.75.

Meanwhile, spot prices for Brent oil from the North Sea rose 55 cents for February delivery.

An Old Hand Is Taking IBM Helm

After 25 Years in the Firm, Akers Is Ready to Be Chief

By David E. Sanger  
New York Times Service

ARMONK, New York — This weekend, John F. Akers is to be on a brief visit to Europe to address a conference on how to spur entrepreneurship in a giant company.

When he returns Monday morning, movers will have shifted his oval desk 50 feet down the hall to a corner office, and Mr. Akers, 50, will begin what is likely to be a decade-long career as the chief executive of the rapidly diversifying International Business Machines Corp.

Anyone who misses the movers, though, might not immediately notice the change: Mr. Akers, only the fifth person to take the helm of IBM since its founder, Thomas J. Watson, has been the consummate inside man, a veteran of IBM's ruling inner circle.

"I worked under Frank Cary and John Opel for 15 years," a relaxed, confident-sounding Mr. Akers said in a recent interview. He was referring to the company's last two chief executives. "I've had just about every experience in the business — sales, marketing, federal business, world trade." Flashing a broad smile, he added, "I feel pretty well prepared."

But if the rite of passage at IBM's headquarters later this week appears seamless — Mr. Akers has been with IBM for 25 years, the last two as its president — few doubt that it will mark a major new era for the giant of the computer industry.

John R. Opel will remain chairman but under company policy he had to step down as chief executive when he reached age 60. Mr. Opel served four years in the top job after a decade as Mr. Cary's right-hand man.

Mr. Akers will not turn 60 until late 1994, time enough to bring a host of new IBM ventures to



John F. Akers

fruition, including IBM's push into personal computers, software and telecommunications.

Mr. Akers predicted that within a decade IBM would pass \$180 billion a year. Last year it earned about \$6 billion on revenues of \$46 billion, making it nearly twice the size of the company Mr. Opel took over four years ago.

"The industry will be in 10 years probably the biggest industry in the world," Mr. Akers said. With some understatement, he added, "The IBM (Continued on Page 13, Col. 1)

Reagan Targets Export-Import Bank

By Clyde H. Farnsworth  
New York Times Service

WASHINGTON — President Ronald Reagan, as part of his deficit-reduction effort, will ask Congress for a deep cutback in operations of the Export-Import Bank, which finances the purchase of various American products abroad.

Administration and congressional sources said the president had adopted a proposal made in December by David A. Stockman, the budget director, seeking to end the agency's direct lending. Advocates of such loans say they are one of the principal tools of U.S. industry in its fight for foreign markets.

Instead of the direct loans, the administration will propose payment of interest subsidies to banks that make export loans.

Some members of Congress who were aware of this provision of the budget that Mr. Reagan will send to Congress next week reacted coolly. Export industries are certain to lobby energetically against the proposal.

The president's budget a year ago sought \$3.8 billion of lending authority, which Congress provided. The Export-Import Bank, like similar agencies in competing industrial countries, usually lends at interest rates below commercial levels to promote foreign purchases of U.S.-made products. Elimination of direct loans would require congressional approval. It would be one of the most radical changes in operations of the agency since it was created in 1981.

Administration officials said direct lending would be replaced by a novel program under which the Export-Import Bank would pay up to

\$130 million in interest rate subsidies. This money would go to commercial banks when they agree to lend at below-market rates to prospective buyers of U.S. goods.

If the agency substituted subsidy payments for direct loans it would disburse less money. That would count as reduced federal spending, lowering the budget deficit. Eventually, however, money coming into the Treasury as Export-Import loans are repaid would diminish.

"It will end up costing more for the same amount of exports supported," said Representative Stephen L. Neal, Democrat of North Carolina and the chairman of the House Banking Subcommittee on International Trade, Investment and Monetary Policy. "We'll be following the proposal carefully to insure that Ex-Im is doing the job it was supposed to under the law."

The discount rate is the rate at which banks borrow medium-term from the Bundesbank using treasury bills as collateral.

The Bundesbank said that it would provide necessary liquidity to the money market via a securities repurchase agreement at a fixed rate of 5.7 percent. Additionally, in order to drain what may evolve into excess liquidity, the central bank said it would be willing to sell banks treasury bills at a fixed 5.5-percent rate.

"This appears to be an anticipatory move by the Bundesbank in order to be in a better position to fight a possible further rise in the dollar," said Hans-Jürgen Müller, chairman of Morgan Guaranty GmbH. "But it's clearly not a panic move. The central bank is concerned about the dollar, but were

Lombard Rate Raised 1/2 Point By Bundesbank

By Warren Gettler  
International Herald Tribune

FRANKFURT — The Bundesbank, West Germany's central bank, on Thursday said it would raise its key Lombard interest rate 1/2 point to 6 percent to gain tighter control of the domestic money market.

The increase, effective Friday, was the first since September 1983 for the Lombard, the rate at which commercial banks get short-term loans from the Bundesbank on deposit of securities as collateral.

Industry sources said the increase was largely discounted in the financial markets because the increase had been widely expected among dealers.

Following a Bundesbank council meeting Thursday, the central bank said that it was attempting to steer borrowers toward longer-term loans and preserve the Lombard rate's role as a vehicle for urgent, short-term borrowing.

Market rates that have been at parity or even higher than the Lombard rate now would fall between the Lombard and the central bank's unchanged 4.5-discount rate, thus discouraging banks from borrowing at Lombard and allowing market rates to rise more flexibly without need for Bundesbank response.

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"This appears to be an anticipatory move by the Bundesbank in order to be in a better position to fight a possible further rise in the dollar," said Hans-Jürgen Müller, chairman of Morgan Guaranty GmbH. "But it's clearly not a panic move. The central bank is concerned about the dollar, but were

they really worried, we would have seen an increase of Lombard by a full percentage point."

On Wednesday, the Bundesbank's vice president, Helmut Schlesinger, made specific reference to the Bundesbank's concern about sharply higher capital outflows, which in December had nearly doubled to 12.4 billion Deutsche marks (\$3.92 billion) from 6.9 billion DM in November.

But the Bundesbank's announcement Thursday did not mention capital outflows in explaining the Lombard rate increase.

Industry sources said the Bundesbank may not have wanted to be seen as having its hand forced by external factors in setting its credit policies, as appeared the case when the Bank of England raised its rates recently for the stated intent of propping up the plummeting pound.

The Bundesbank said that total capital outflows from West Germany increased to 29.1 billion DM in 1984 from 16.3 billion DM a year (Continued on Page 13, Col. 4)

Dollar Rallies After Early Fall

United Press International

NEW YORK — A surprising drop in the U.S. leading indicators index and an increase in West German interest rates undercut the dollar Wednesday but it recovered late in the day.

In London, the pound advanced to \$1.1305 late Thursday, its highest level in three weeks, from \$1.1265 on Wednesday. In New York, it fell to \$1.1285 from \$1.1330.

Other late dollar rates, compared to late rates Wednesday: 3.165 Deutsche marks, down from 3.167, and 9.580 French francs, down from 9.681. In Tokyo overnight, the dollar continued to rise, closing at 254.78 yen, up from 254.25 in New York. It soared to 255.40 from 254.27.

Currency Rates

Official foreign exchange rates on Jan. 31, excluding fees.  
Units of 100 U.S. dollars (or 100 U.S. cents) = 1 U.S. dollar.

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
Amsterdam	3.805	4.035	113.12	36.96	8.333	—	5.622	133.79	140.60
Berlin (Mark)	4.337	7.145	20.0145	4.54	3.247	17.7055	—	22.68	34.88
Brussels (Franc)	3.167	3.573	35.73	20.70	1.671	2	—	118.21	1.2055
London (Pound)	1.326	1.350	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
Paris (Franc)	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
Switzerland (Franc)	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
West Germany (Mark)	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
Yokohama (Yen)	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02

Dollar Values

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
1984	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1983	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1982	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1981	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1980	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1979	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1978	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1977	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1976	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02
1975	1.365	1.380	16.753	10.925	2.2045	4.065	71.71	3.028	28.02

Interest Rates

Jan. 31

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
1M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
6M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
1Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
4Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
5Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
10Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
15Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
20Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
25Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
30Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

Source: Reuters, Commercial Bank, Credit Lyonnais, Citibank, etc.

Asian Dollar Rates

Jan. 31

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
1M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
6M	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
1Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
4Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
5Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
10Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
15Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
20Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
25Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
30Y	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

Source: Reuters, Commercial Bank, Credit Lyonnais, Citibank, etc.

Key Money Rates

Jan. 31

	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.	U.S.
Discount Rate	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Federal Funds	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Prime Rate	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
Banker's Loan Rate	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3-month Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
6-month Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
9-month Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
1-year Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
2-year Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
3-year Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
4-year Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0
5-year Treasury Bills	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0	8.0

Source: Reuters, Commercial Bank, Credit Lyonnais, Citibank, etc.

SAS Is to Join Boeing In Planning New Plane

By Juris Kaza  
International Herald Tribune

STOCKHOLM — Scandinavian Airlines System will join the U.S. aircraft maker Boeing Co. in efforts to develop a plane designed primarily around a comfortable cabin rather than new propulsion or airframe technology, SAS's president, Jan Carlzon, announced Thursday.

SAS officials said the airliner would probably have new energy-saving engines, using jets to drive large backward-facing propellers. The airline, the joint national airlines of Denmark, Norway and Sweden, accepted Boeing's invitation to be the first airline to join it in developing a 150-passenger airliner based on the concept of a "passenger-pleasing" cabin.

For Boeing, the move appears to signal abandonment of the so-called 7-7 project to build a new conventional 150-passenger jet for the mid-1990s. Boeing is expected to ask other airlines to join in the latest project, including Delta Airlines of the United States.

Mr. Carlzon for some time has publicly called for design of a new



























